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ABSTRACT

This report, part of a two-volume set, is intended to provide union groups, employees, child care educators and advocates, day care consultants, and other interested groups with information regarding the state of the art of on-site day care in America today. The first section of the report reviews the past and current literature and experience of on-site day care centers in the United States and in other countries. Included are those centers located in industry, federal and state government facilities, hospitals, the military (in New York state) and on college campuses. The second section delineates generic models of on-site day care as abstracted from former and current operations, outlines specific components of organizations, benefits, problems, and evaluation strategies related to each model, and identifies program characteristics associated with successful models. The third section provides guidelines for employers interested in conducting a study of the feasibility of establishing an on-site center. (Author/MP)

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ON-SITE
DAY CARE

STATE OF
THE ART
& MODELS
DEVELOPMENT

PS 012493

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THE STATE OF THE ART AND MODELS DEVELOPMENT

February 1980

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The opinions expressed herein are based on the interpretation of project findings by Welfare Research, Incorporated, and do not necessarily reflect the views of the granting agency.

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This study of on-site day care was funded by the New York State Committee on the Work Environment and Productivity, in conjunction with the Empire State Day Care Services, Inc., the body responsible for the model nonprofit day care center for New York State employees recently established in Albany, New York.

The report is divided into three sections. The first section, a state-of-the-art report on on-site day care, reviews the literature and experience, past and current, of on-site day care centers in the United States and in other countries, located in industry, federal and state government, and hospitals, on college campuses, and in the military (in New York State). The second, a "models" section, delineates the various types of employer support of day care—along with the specific components of organization, benefits, problems, and evaluation strategies related to each type—and identifies program characteristics associated with successful models. A third section provides guidelines to employers in conducting a study of the feasibility of establishing an on-site center.

Appendixes complete the body of the report. All reference citations in the state-of-the-art section appear in a reference list (p. 35).

ACKNOWLEDGMENTS

The research enterprise requires the exploration and discovery of new and untapped sources of information and experience. This is particularly true with regard to topics that are in the formative stage and those for which the various sources of information have not been documented or consolidated in one place.

The degree to which the present project was successful in drawing together a great deal of information and experience on "on-site day care" is due largely to the generous sharing of information by individuals formerly or presently involved with on-site center operations in a variety of settings. These include the directors of centers, teachers, and company executives who had a role in establishing such centers and related child care programs. These people shared invaluable insights regarding the rewards and problems of employer-supported centers and provided "leads" to other informational resources as well.

A special thanks is extended here to Molly Hardy, Executive Director of Empire State Day Care Services, Inc., who enthusiastically shared materials and referred us to other existing programs.

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The task of gathering together current and relevant "state-of-the-art" literature was greatly facilitated by the library staff of the New York State Library and SUNY Albany library system, especially those librarians who initiated and completed the comprehensive database searches.

The project staff wish to acknowledge the efforts of Edward Perry and Karen Smith, of Associated Industries of New York, who in cooperation with project staff, designed and distributed a questionnaire to assess employer attitudes toward support of child care among a group of their New York member industries. In addition, we thank the various Associated Industries organizations and manufacturing associations around the country who responded to our telephone interview regarding their members' experience in on-site day care and other models of child care support for employees. The New York State Council on Children and Families also shared research from a current study (in-progress) of employer involvement in child care.

In addition to the work of the WRI staff in Albany, New York, the project was aided by the skilled interviewing of Victoria Tillotston in Washington, D.C.

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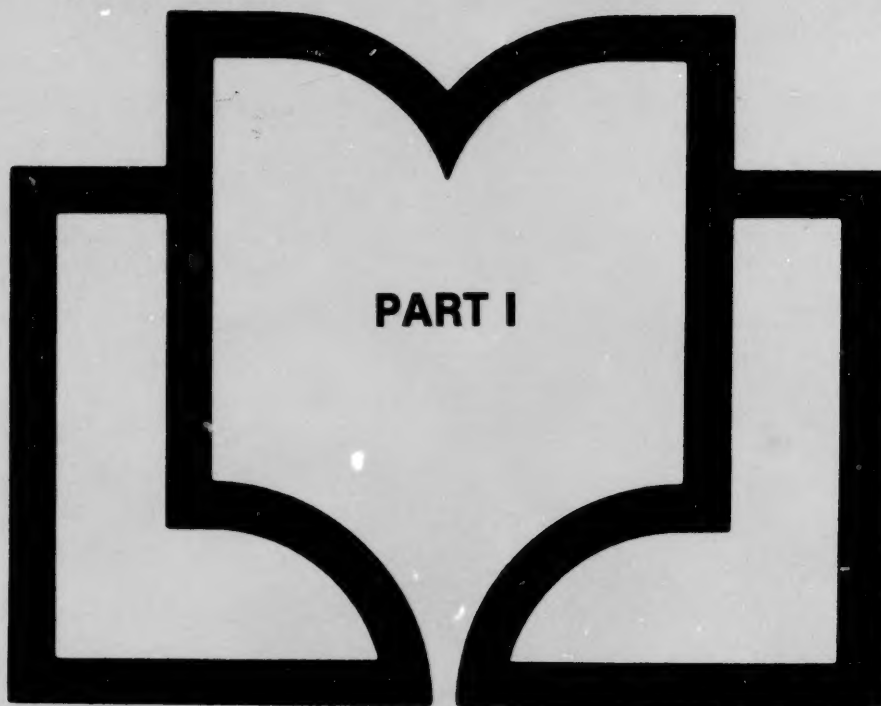
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PART I

STATE OF THE ART

This report is published amidst a resurgence of interest across the country in on-site day care. Project research uncovered an informal network of corporate management, union groups, employees, child care educators and advocates, day care consultants, and

researchers pursuing the topic in both the public and private sectors. The report is intended to provide this network and other interested groups with information regarding the state of the art of on-site day care in America today.

Current Developments

Renewed Corporate Interest in On-Site Day Care To Meet Child Care Needs of Employees

Large and small industries in New York, Vermont, Missouri, North Carolina, Indiana, California, and Colorado are engaging in employee needs assessments relative to day care. As a result of such a study, the Corning Glassworks of Corning, New York, is moving ahead with plans to establish a community employee center by the summer of 1980.

State and Federal Legislative Initiatives

Bills have been introduced in three states to encourage the development of on-site centers for private and public employees. In the New York State Assembly, Assemblywoman May Newberger has introduced a bill to provide tax credits to employers in New York State who provide licensed child care for employees. A similar bill (4616) has been introduced in the Michigan House of Representatives by Representative Juanita Watkins. In California, Senate Bill 764, introduced by Senator Diane Watson and recently passed by the California State Senate, would require the provision of child care space in new or repaired state buildings accommodating a thousand or more state employees.

On the federal level, House Resolution 515, sponsored by Frank Thompson, Jr., of the House Administration Committee, would provide start-up funds for a day care center in the vicinity of Capitol Hill for House and Senate members and Congressional employees.

"Grass Roots" Pressures for On-Site Day Care and Other Child Care Support Systems

Across the country, employees, child care advocates, and other individuals and groups are expressing strong interest in the development of workplace day care.

In California, the Industrial Child Care Coalition, a volunteer group of individuals and child care professionals, is working to raise employer consciousness in the San Francisco Bay area.

The Colorado Commission on Women, in 1978, formed an industry-based child care task force, comprised of early childhood advocates, corporate representatives, a United Way referral agency, and state licensing personnel. The group hosted a meeting in May 1979 for top management from 25 major employers.

In government, the Federal Women's Program Advisory Committee has shown interest in on-site centers for federal employees. An ad hoc committee at the U.S. Geological Survey, a bureau under the Department of Interior located in Reston, Virginia, is studying the feasibility of such a center for 2,600 federal employees.

New Research, Publications and Conferences

Notable among new research in on-site day care is Dr. S. Kathryn Senn Perry's doctoral work, "Survey and Analysis of Employer-Sponsored Day Care in the United States." This study is a comprehensive report of employer-sponsored day care centers existing in 1978, as well as previously operated centers in industry, hospitals, labor unions, government agencies, and military installations. The survey, endorsed by the Women's Bureau of the U.S. Department of Labor, is the basis for several new publications by the Women's Bureau scheduled to be available in the spring of 1980. These works, written by Perry and several other authors (e.g., Rudolph, and Rodgers, 1980), offer technical information on various on-site models and such issues as funding and board and staff training.

Various groups are coming together to share technical information on how to establish on-site centers. A September conference sponsored by the board of directors of the (federal) Government Center Child Care Center in Boston focused on "How to start interagency day care centers." A handbook available from this conference deals with legal aspects, space negotiations, by-laws, and other issues relevant to this model.

Issues and Concerns

Although these activities are indicative of scattered localized interest, it is too soon to determine whether a major movement toward on-site day care is developing. Indeed, there are a number of major issues that need to be addressed before such a movement may materialize.

The On-Site Model vs. Other Models of Employer-Supported Child Care

Rather than providing on-site day care centers, employers may choose to meet the child care needs of their workers through such means as flex-time, a voucher system, or support of community child care systems. Employer willingness to entertain the on-site option is tied to such factors as cost, recruitment, employee benefits, liability, regulations, and administration. The larger percentage of private and public employers are presently not involved in child care support and, one can conclude, do not perceive this as a major concern. The success rate of former centers has not been encouraging. Of 13 company-operated or supported centers identified in a 1973 Women's Bureau publication (*Day Care Facts*), only two, Stride-Rite and Control-Data (now a community model), remain. Similarly, the number of hospital centers decreased by 23 percent between 1968 and 1978 (Perry, p. 96).

Parents' Utilization of On-Site Centers vs. Other Forms of Child Care

The U.S. labor force has not had a history of lobbying efforts for increased employer support of child care. Wages and other employee benefits have been the main focus of labor union negotiations. However, with increasing numbers of married women with children and single parents in the work force, the trend may be changing, as evidenced by the growth of such practices as flex-time, part-time positions, and job sharing.

In recent years, parents have expressed interest in, and utilized, different types of preschool child care services (center, family, babysitter). It seems likely, therefore, that the pattern of parental preferences, as well as the availability of preferred arrangements, may affect the demand for and utilization of on-site centers. In an inflationary economy, the cost of on-site care in relation to alternate forms of care is crucial, even as parents increasingly demand quality alternatives for all age groups (Kamerman and Kahn, 1979, pp. 78-79). With increasing gasoline prices, it is probable that transportation will be a factor in parental choice.

Scope of Report

This report does not purport to resolve these issues, nor to predict future trends; rather, the state-of-the-art section of this study is concerned with summarizing the experience of on-site day care, past and present, in a variety of settings, in this country and abroad, by (1) describing program operation and key components in past and present centers in each setting and (2) identifying the particular problems and successes of such opera-

tions. The second section, "Models Development," will identify generic models of on-site day care as abstracted from former and current operations. Significant characteristics of these models will be outlined. A third section, "Guidelines of Employers Considering On-Site Day Care: A Feasibility Study," outlines strategies for employers studying the feasibility of establishing an on-site center.

Definition of "On-Site Day Care"

The term "on-site day care" is used throughout this report to designate child care services located in or in close proximity to the employment place of working parents. The "site" may be a factory, office or administrative building or complex, hospital or medical center, industrial complex, or industrial park. Military installations and educational campuses are also included here as "sites," although they are really variants of the model.

Terms synonymous with "on-site" and appearing in the literature include "workplace," "job-site," "employer-sponsored," and "company-sponsored." The term "industrial day care" appears with equal frequency.

On-site day care has been found to be sponsored by industry, unions, hospitals, governmental agencies, the military, and universities and colleges (for the children of students as well as of faculty and staff).

NOTE: With the increasing demand for care for children of all ages and at hours other than traditional "day time," the term "child care" rather than "day care" has been suggested as more appropriate.

2. METHODOLOGY

The research for this study was based on a comprehensive review of the published findings on on-site day care. Six computer data-base bibliography searches were generated, from ERIC (Resources in Education and Current Index to Journals, in Education), MEDLARS (of the U.S. National Library of Medicine), SSCI (Social Science Citation Index), and Psychological Abstracts. These searches used specific and general descriptors relevant to on-site day care, day care, and day care evaluation. Additional sources were uncovered through a search of the New York State Library, the Department of Social Services library, and the State University of New York library system resources, as well as bibliography lists obtained from day care and early childhood educational groups.

This extensive compilation was scanned and prioritized for relevance to on-site day care. (Other general sources on day care were also prioritized for inclusion in a related bibliography.) Additional written materials were provided by several individuals with expertise in on-site day care. All library sources were then obtained through the state or SUNY library system, interlibrary loan, or EPSIS network. These materials were reviewed for information and possible inclusion in the on-site bibliography accompanying this report.

In addition to published materials, actual on-site centers were identified in the literature. A telephone interview questionnaire was designed (see Appendix A) and utilized in interviewing representatives of both former and active programs.

As new centers were discovered, the interviewer sought out leads to other existing centers, "snowballing" the number of contacts among actual on-site centers and key resource persons and interest groups. Experts and researchers referenced in the literature or through such contact leads were also interviewed by phone.

Data on on-site centers affiliated with federal agencies in the Washington, D.C., area were obtained via site visits by an interviewer.

Because of the large number of hospital centers, not all were mailed questionnaires. Follow-up phone calls indicated a number of these centers had closed; thus only a small sample of hospital centers is included in this report (see Table 1).

The military installation centers included were limited to those in New York State; telephone interviews were conducted with directors at Army, Navy,

and Air Force facility centers. A civilian social work program specialist with the Community Services Division, Department of the Army, provided information on recent changes in the army child care system.

Because of the large number of "on campus" centers and the fact that these centers frequently function more as training or research centers than as employer-supported child care sites, research on campus centers was restricted to some general data on the New York State University centers obtained from the SUNY Central Administration Office. Additional data were obtained from an ongoing research project, "Needs Assessment for Child Care Services among Women in New York State Occupation-Education Programs."

Associated Industries of New York, with the cooperation of project staff, designed and distributed a questionnaire to a select number of their member companies. However, because of the slow rate at which these questionnaires were returned, a limited telephone survey of Associated Industries members and manufacturing organizations across the country was conducted in order to assess current industry interest in on-site center sponsorship and other child care supports. A fact sheet on employer-sponsored day care was provided to those associations interested. (The Associated Industries questionnaire, the telephone survey, and the fact sheet are presented in Appendixes B, C, and D.)

Data on New York State employers were supplemented by a case study conducted by students in the College of Human Ecology, Cornell University, and provided to project staff by the New York State Council on Children and Families.

Information on current developments was also obtained from the following hearings and conferences: "Supportive Services for Working Parents," a public hearing sponsored by the Speaker's Council on Government Reform, the Assembly, State of New York, November 7, 1979 (see Appendix F for Notice and Testimony List); and the New York State Conference on Families (White House Conference on Families), including a workshop on "Families and the Workplace," Albany, January 12, 1980.

Table 1 indicates the data sample interviewed for this study.

Table 1: Data Sources

Type of Setting	No. of On-Site Centers Researched		Supplemental Data Sources
	Current	Former	
Military (NYS)	7	1	Perry Survey*
Hospitals	2	6	Perry Survey
Industry	5	17	Interview contacts Niehaus research**
State/federal agency	2 State 8 Federal	-	Women's Bureau (Ms. Ruth Nadel)
University/college campus (SUNY) and 8 SUNY community colleges	58	1	NYS Chancellor's Office*** Needs Assessment Research****

- * Perry, S. S. "Survey and Analysis of Employer-Sponsored Day Care in the United States" (doctoral dissertation), University of Wisconsin, Milwaukee, 1978.
- ** Niehaus, J. Ongoing Research, master's thesis on "Industry and Child Care: Survey of 200 Business, Labor, and Employee Groups," Washington University, The George Warren Brown School of Social Work, St. Louis, Missouri. (See Appendix E for Questionnaire.)
- *** "Day Care Services-State University of New York," August, 1979, 11-page report provided by P. Bader, SUNY Central Administration.
- **** Needs Assessment for Child Care Services Among Women in New York State. Occupation-Education Programs, ongoing research project under Vocational-Educational Act, VEA 80-3F-961-GS, data provided by J. Cobern.

3. ON-SITE DAY CARE OUTSIDE THE UNITED STATES

In the various discussions and debates concerning day care in the United States, models in other countries have often been cited and evaluated in terms of their applicability here. The research conducted for this study, however, was more concerned with the commonalities of on-site day care experience than with the direct application of particular models.

Some general findings emerge from our review of current literature:*

- In France, Denmark, and Sweden, on-site day care is considered less desirable than care in a residential location. These countries, however, have extensive, well-developed public systems of child care or preschool education, as well as other support mechanisms for working parents.
- In Cuba, the Soviet Union, and other Eastern European countries where child care is provided by the state, various forms of employer support exist, with on-site care on the decline in recent years.
- The on-site models of China and the Israeli kibbutz are based on unique social experiments. Such workplace child care must therefore be interpreted in the context of these societies and is not of particular relevance to industrial day care models.

An overview of specific day care and preschool child care programs in a few countries will illustrate the wide variety of support systems which exist for working parents in other industrialized nations.

France

It appears that industry-related day care in France exists primarily in hospitals. Universal child care is provided by France's two systems of preschool education: (1) center or family creches (day care) for children of 6 weeks to 3 years of age whose mothers are working, and (2) ecoles maternelles, all-day public preschools for children of 2-6 years. The extent of support compared to that in the United States is shown in Table 2.

In France, recent assessments of child care needs concerning program quality, the shortage of facilities, the demand for before- and after-school programs, plus the increasing trend of women in the work force,** are likely to be addressed in terms of expansion of the present preschool educational system.

Table 2: Preschool in France and USA

(Percentage of Children Under Compulsory School Age in Preschool Programs)

Country	Under 3 Years	3 to 5 Years	4 Years
France	30%	95%	100%
USA	10%	64%*	81%

Note: Data from Kamerman and Kahn, 1979, pp. 77 and 82.

* Includes school and out-of home day care.

- The data on on-site day care in England and West Germany were insufficient to allow valid generalizations; therefore, these countries are not included in this report. There was mention in the literature of a 1970 on-site center at SONY of Tokyo, Japan. However, SONY corporate headquarters, NYC, had no information. A letter sent to SONY of Tokyo, September 21, 1979, requesting data was not answered.
- ** Roughly 44 percent of French women aged 15-64 are now employed, according to Questiaux and Fournier, 1978, p. 171.

Denmark

The emphasis in Danish family policy is on families with young and school-age children. In addition to a family allowance financed from national taxation, there is public subsidization of day care at four levels—building, maintenance, operation, and health support (Wagner and Wagner, 1976, p. 70). Even though the government defrays 80 percent of the cost, parental fees are high, affecting primarily middle-income families, who are often forced to rely on other arrangements (Vedel-Petersen, 1978, p. 310). Day care is available in several forms, as shown in Table 3.

While some industrial day care has been attempted, the preference is for locating the services in the neighborhood, closer to other social, health, and educational programs. Newer centers are often located in the

middle of large apartment complexes. Some observers who visited several of Denmark's industrial centers were told that the waiting lists at on-site centers caused friction between employer and employees (Wagner and Wagner, 1976, p. 72). Another reason for the preference for neighborhood centers is the use of these centers in recent years by multiple age groups, including senior citizens. The Danes view this mixing of old and young as a very positive element.

Because the proportion of women aged 20-29 who work is 70 percent in Denmark, it is expected that the demand for more day care centers will continue. In Denmark, day care and kindergarten are viewed as having beneficial effects on children.

Table 3: Day Care in Denmark

	Age Group	Children in Age Group Attending (%)
Creche (day nursery)	Birth-2½ years	8
Subsidized family day care	Under age 3	8
Kindergarten	2-7 years	30 (age 3 - 7)
Youth centers (before & after school)	7-14 years	6 (age 7 - 10)
Age-integrated institutions	to age 14	4-5

Note: Data from Vedel-Petersen, J., 1978, pp. 309-310, and Wagner and Wagner, p. 73.

Sweden

Although it is popularly believed that Sweden has extensive child care programs, it actually has proportionately less coverage than the United States (Kamerman and Kahn, p. 81). However, Sweden does provide a wide range of child care alternatives, including part-time and full-day care, as well as before- and after-school centers and family day care. In recent years, Sweden has made a major effort to expand day care facilities, with a goal of accommodating 100,000 more children between 1976 and 1980.

Most "day nurseries" in Sweden are under the jurisdiction of municipalities, with only four identified as under company governance in 1973 (Ogilvie, p. 192). Kamerman (1976, p. 57) notes that parental preference is for centers in residential locations rather

than in the workplace, partly based on a reluctance to subject young children to the strain of rush-hour commuting.

Sweden's family policy has been described as attempting to meet the needs of children as well as equality for women. Since 1974, a parental insurance law has entitled either or both working parents to a paid leave for nine months after a child's birth. Fathers also share the right to 15 days' leave each year for sick children. According to Rita Liljestrom, a Swedish sociologist, "the principles governing labor market policy, tax policy, financial assistance to families and social insurances have become adapted to a family with two breadwinners and to parents on an equal footing" (Liljestrom, 1978, p. 41).

Soviet Union, Poland, Czechoslovakia, and Cuba

Research for this report found that observations of Eastern European and Cuban child care systems are fraught with subjective and political biases, resulting in conflicting data. Therefore, in an attempt to report the most objective findings, project staff relied primarily on authors who have had accessibility to a representative sample of centers within these countries and/or whose research has been ongoing throughout various policy and ideological trends.

In the Soviet Union, day care centers located at the site of a factory have been among the child care alternatives developed to support ideological policy and the economic need for women's employment. Most observers indicate that, as in other European countries, the neighborhood location is preferred (Ogilvie, 1973, p. 186). However, there are communities in the Soviet Union where both day care and housing are located close to factories, and nursing mothers are allowed to leave work to feed their infants.

One American observer of Soviet schools (Jacoby, 1974) found that factories with large numbers of women employees were operating day care centers. In a Moscow watch factory employing primarily women,

there were four day care centers to care for employees' children. Women could leave work to nurse their babies, and many spent their lunch time with their children. While there was the option of leaving children in care overnight or on weekends, very few women actually used that option. The observer found this program to be a model rather than what was typical of on-site care in the Soviet Union (Jacoby, p. 53).

Poland, Czechoslovakia, and Hungary also have had on-site day care for a number of years. In Poland, "institutional nurseries" have been organized by industry and factories. In 1971, 90 percent of Czechoslovakia's creches were residential-based, with the rest located near factories (Ogilvie, p. 197).

In Cuba, the goal of the *circulos infantiles*, or day care program, is to provide free day care as available to all children from 6 weeks to 6 years. Following an Eastern European model, Cuban factories may sponsor community day care centers under a *padrino* system, providing services such as maintenance and transportation to the *circulo* as needed to further tie education with work (Leiner, 1974, pp. 161-164).

A New Trend

In a recent telephone interview, Dr. Sheila Kamerman, of Columbia University, noted for her research on child care and family policy abroad, observed that her current research, not yet published, indicates a pronounced decline in on-site day care, both in Eastern and Western European nations. The trend away from on-site care has been most dramatic in Poland, Hungary, and Czechoslovakia, she said. Several Scandinavian

countries and France, Kamerman observed, have followed this lead; France's on-site centers have closed except for those located in hospitals. Dr. Kamerman believes the key variable in all these countries to be parental preference for residential centers, a factor that may also apply to parents in the United States once a range of options is available.

Implications for the United States

It is clear that direct comparisons with the experiences of other nations, particularly those with less heterogeneous populations than ours and with fundamental differences in ideology and social policy, are not practical. Nonetheless, there is a growing awareness of the need for the United States to follow the lead of other modern industrialized countries in developing

support systems for employed parents, and the development of on-site centers has been encouraged as a practical means of such support. However, in light of the strong influence that has evidently been exerted by parental preferences in some relatively homogeneous societies, it may be particularly important, in our own pluralistic society, to provide parents with a range of options.

* The issue of child care has surfaced as a major concern in New York State's Regional Conferences as well as national hearings in preparation for the June White House Conference on Families.

History

Examples of industry-sponsored on-site day care are noted in many published works on the history of day care (e.g., Roby, 1973; Steinfels, 1973; Galinsky and Hooks, 1977). A single anthology on the evolution of industry's involvement, however, is yet to be published. Indeed, such a study is likely to be complicated by the fact that many companies in recent history have not kept track of records once their centers have closed and personnel moved on to other positions. However, there is ample evidence that the development of on-site industrial centers correlates with historical periods of high demand for female labor among particular types of industry and during critical times. Concomitantly, declines in the economy and labor demands have been the key factor in the demise of such operations.

This evolution may be outlined in four time periods:

- Pre-World War II (1920-1940)
- World War II and Post-War (1941-1959)
- New Frontier and Anti-Poverty Years (1960-1974)
- Current Centers (1975-1980)

Pre-World War II Period (1920-1940)

Perhaps the longest running center for employees was one operated for about fifty years in a men's clothing plant in the South. This center, which closed in 1970, provided preschool care for as many as 100 children, as well as after-school care for children 6 to 12 years old. Other than a small fee charged for lunch during its last two years of operations, the company assumed all costs (U.S. Department of Labor, 1971, pp. 29-30).

World War II and Post-War (1941-1959)

The most famous of the industrial on-site centers are the two day care centers run by the Kaiser Shipbuilding Corporation, Portland, Oregon, during the war years 1943-1945. Kaiser's Child Service Department boasted that these centers, located at the entrance to each shipyard, made possible 1,246,773 production hours in one year (Kaiser Corp., 1944). Besides offering child care seven days a week, 24 hours a day, 364 days a year, the centers also provided such services as clothes mending, "carry-home" dinners, shopping, and appointment making, in the spirit of meeting mothers' child care needs. Operating costs came from federal and company subsidies and parent fees (Kerr, 1973, pp. 164-165).

Under the Lanham Act, originally designed to expand public works for the defense program, day care

was provided for 600,000 children in wartime. Although the majority of these centers were located in schools, companies like Curlee and Swisher that already had centers were mobilized to take on additional children.

With the end of the war, the Kaiser centers closed. A Portland newspaper reported that the Oregon shipyard center had been converted into a "deluxe" elementary school in 1946 (Library Association of Portland, May 6, 1946). The article editorially dismissed the centers as having filled a need but having been underutilized and impractical because of transportation difficulties and inaccessibility to schools. This mood was echoed in the closing of 2,800 Lanham centers. The war was over and so was the need for day care services.

Yet in the postwar era, while day care was viewed largely as a child welfare service for impoverished or problem families, the labor force participation rate of married women with children under 6 increased, from 10.8 percent to 24.2 percent between April 1948 and March 1966 (Steinfels, 1973, p. 70). In contrast, both public and professional attitudes reaffirmed the need for mothers to be at home with their children. Working mothers surveyed in 1958 and 1962 indicated children were cared for primarily at home or outside their home by relatives, friends, or neighbors (Steinfels, 1973, pp. 72-73).

The New Frontier and Anti-Poverty Years (1960-1974)

The 1960s brought social movements that were to produce dramatic institutional and attitudinal changes. The early childhood education movement, welfare legislation that increased public-supported day care, women's liberation, minority job recruitment—these are but a few of the factors that brought child care and day care into the limelight.

In this atmosphere, industrially supported day care reached a new level of development. Various models of employer support emerged, with motivations ranging from "helping the disadvantaged" to "stabilizing the work force." The percentage of industries involved, however, was still quite small. Table 4 gives examples of some companies that sponsored day care indirectly.

In addition to indirect support, the flurry of corporate interest in day care also resulted in the establishment of a number of on-site centers in this period, as depicted in Figure 1.* (On-site centers established in hospitals are included in Section 5.)

* It should be noted that Chesapeake and Potomac Telephone Co., Washington, D.C., and Ohio Bell and Western Electric Co., Columbus, Ohio, opened two demonstration centers midway between employees' homes and the workplace in 1971. Because of their locations, these centers are not considered "on-site."

Industries supportive of on-site centers as well as other models of child care support came together in conferences with child care specialists and community agencies to share experiences and promote industry involvement.*

Surveys of child care needs among Nevada's Resort Hotel employees (Douglas 1976) and Texas Industries (Purnell 1977) were conducted. There is evidence that other localized meetings or company assessments of the feasibility of on-site centers were conducted during

Table 4: Employer Child Care Programs

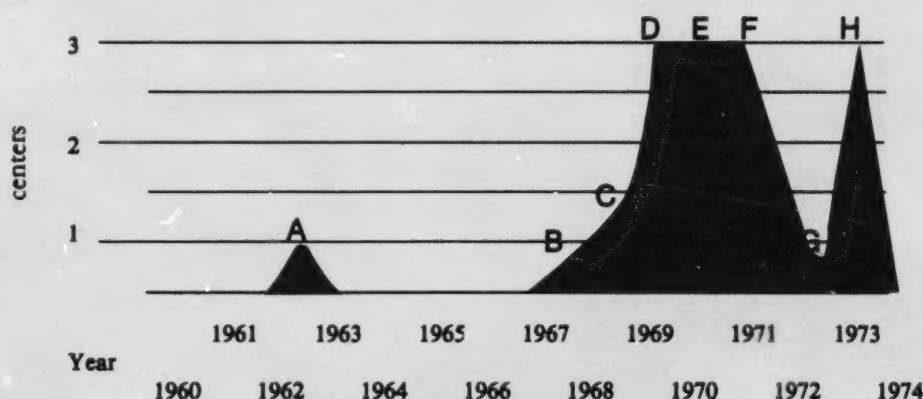
Company	Program Type	Year Initiated	Program Descriptions
Illinois Bell Telephone Co., Chicago, Ill.	Day care referral/family day care support and training	1970	Staff of 4 provided referral to day care homes. Did needs assessments in employee neighborhoods and recruited residents as day care mothers. Helped these mothers set up day care homes for 4 children, become licensed, and receive training through Erikson Institute for Early Education. Program ran to 1975. Company records on the cost of the program are not available.
Coca Cola Company of Florida	Day care for children of harvesters and grove workers	1973	Company provided funding and consultants to establish day care centers in proximity to groves. A nonprofit organization, the Agricultural and Labor Program, has run the program since 1976, with Coca Cola still providing administrative funding.
Ford Foundation, New York City	Child care allowances to employees	1972	A sliding fee scale allowance to parents who make their own child care arrangements. Program in process of being evaluated as of report publication.
Whirlpool Corporation Benton Harbor, Mich.	Community day care center	1967	Whirlpool and 25 other companies provided funding, professional services, and equipment to establish center in low income area. Center now run by Community Parents, Inc.
Fel-Pro Manufacturing Company, Skokie, Ill.	Employee summer camp program	1974	Company supports two 9-week summer camp sessions on employer-owned recreation reserve for employees' school-age children. Sixth season upcoming 1980. A tuition of \$10 per week per family. Company subsidy an annual \$48,000-\$50,000.

Note: Data obtained from telephone interviews.

* National Conference on Industry and Day Care, 1970, and 1973 (Urban Research Corporation, 1970; and Schatz, E., and Flaum, T. K. 1973); Symposium on "The Realities and Fantasies of Industry-Related Child Care" (Chapman, 1973).

these years but that results were not published and records, if maintained, were kept "in-house."*

Figure 1: On-Site Day Care Centers Established by Industry, 1960-74



- A Tioga Sportswear, Fall River, Massachusetts
- B Winter Garden Frozen Foods, Bells, Tennessee*
- C KLH R&D Corporation, Cambridge, Massachusetts*; Mr. Apparell, Inc., High Point, North Carolina*
- D Avco-Roxbury Printing and Publishing Division, Dorchester, Massachusetts; Skyland Textile Company, Morganton, North Carolina*; Vanderbilt Shirt Factory, Asheville, North Carolina*
- E Bro-Dart Industries, Williamsport, Pennsylvania*; Control Data, Minneapolis, Minnesota; Tyson Foods, Springdale, Arkansas
- F Jefferson Mills, Williamstown, North Carolina*; Levi-Strauss, Star City, Kansas; Stride-Rite Shoes, Boston, Massachusetts*
- G PCA International, Matthews, North Carolina
- H Forney Engineering, Dallas, Texas; Joshua Tree Manufacturing Company, Gardena, California; Security National Bank, Walnut Creek, California

Note: Data from telephone interviews and U.S. Department of Labor, 1971, 1973.

* Accepted non-employees' children.

*For example, the vice-president of a mid-western manufacturing company indicated in a telephone interview that an assessment of day care needs had been completed "nine years ago," although that fact had not been published.

Industrial On-Site Center Closings: An Assessment

By 1975, 82 percent of the on-site centers in industry listed above had closed. One had shifted to a "consortium model." In interviews with company executives

and personnel officers aimed at assessing the causes for the 14 center closings, the following reasons were given:

• Company went out of business or moved	36% (5)
• Underutilization by employees (resulting in higher costs)	29% (4)
• Too expensive	7% (1)
• Recession	7% (1)
• Information not available	<u>21% (3)</u>
Total	100% (14)

It is difficult to isolate a single cause for all center closings; indeed, several factors appear closely inter-related. Certainly economic recessions in the 1970s brought company closings, particularly in the textile industry, which had sponsored a number of centers. Layoffs would also have affected enrollment in the centers, raising costs as staff-child ratios increased. The inflationary economy placed added burdens on parents' child care budgets, forcing them to fall back on less expensive, informal child care and leading to underutilization of on-site centers, even where community children had been allowed to enroll to avert a closing.

Perry's research highlights some interesting differences in a matched sample of nine open and nine closed centers (see Table 5). While no attempt was made to isolate either a single statistically significant variable responsible for the closings or the statistical

significance of the differences (except for enrollment and playground space), Perry's findings clearly suggest that the centers that remained open were characterized by better quality programs and by employer support and other subsidization. It should be cautioned, however, that the high degree of effects that the open on-site centers were perceived to have on employer and employee may be a subjective response. In fact, very few industrial on-site centers, open or closed, have conducted formal evaluation studies.*

Other factors present in successful on-site centers may be gleaned from analyzing some current industrial on-site operations. The characteristics of successful on-site operations across all settings are discussed in the conclusions (Section 9) of this report and form the basis for the models in Part II: Models Development.

* Milkovich and Gomez (1976), in a study of a consortium-supported center, found lower employee absenteeism and turnover in a group of employees whose children were enrolled in the day care program.

**Table 5: A Comparison Between 9 Open and 9 Closed
Employer Supported On-Site Centers**

	mn	mn
Characteristics of Centers	Open Centers	Closed Centers
Enrollment	64 (n = 7)	17 (n = 7)
Playground space	8,020 sq. ft. (n = 7)	2,007 sq. ft. (n = 6)
Classroom space	3,974 sq. ft.	1,077 sq. ft. (n not given)
Full-time employees of workplace*	1,384	1,106
Degreed teachers	1.33 (n = 9)	.67 (n = 6)
Total teaching staff	7.11	3.66
Added Forms of Support	Percent	Percent
Subsidies (in addition to employer's)	25 (n = 8)	14 (n = 7)
Employee involvement in center opening	44 (n = 9)	25 (n = 8)
Assessed needs prior to opening	100 (n = 9)	88 (n = 8)
Perceived Effects	Percent	Percent
Lower job turnover rates	78 (n = 9)	50 (n = 6)
Development of more positive attitude: toward employer	55 (n = 9)	33 (n = 6)
Development of more positive attitude: toward the job	67 (n = 9)	17 (n = 6)
Increase in ability to attract new employees	89 (n = 9)	83 (n = 6)
Improvement in community relations	33 (n = 9)	17 (n = 6)
Publicity due to articles on day care	78 (n = 9)	33 (n = 6)

Note: Data are from Perry, 1978, pp. 91-93.

* Perry found the group most utilizing employer-sponsored centers to be skilled and professional employees (p. 99).

Currently Operating Centers (1975-1980)

Four currently operating industrial on-site centers were identified: Stride-Rite, Zale, PCA International, and Forney Engineering. Table 6 provides some information on their operations.*

All center directors interviewed spoke enthusiastically of their programs. The three longest running programs attributed their success to corporate support, both financial and psychological. Only one center, which was maintained by the Stride-Rite Company, had subsidization from Title XX funds. This federal program requires that the project serve low-income families, which makes Stride-Rite's center more of a "community" model than a strictly industrial model. Zale and Stride-Rite are administered through corporate foundations.

PCA's weekly rate is a flat \$23 per child, with the company subsidizing the remainder (actual cost: \$40 per child). Zale and Forney, both of which include non-employee children to fill empty slots, charge non-employees' children a higher rate.

All four centers reported parent involvement in the program, with parents spending some time with their children during the work day. In addition, PCA and Zale have programs for nursing mothers.

All four centers reported that their staff have training or education in child care or are currently involved in training. All four centers either meet or exceed state day care requirements. All four companies provide in-kind services.

While no formal evaluations have been conducted, three centers reported that the parent company has benefited through lower turnover and absenteeism. PCA's director, in particular, felt that the day care center was an aid to recruitment; she reported that in an area where the annual unemployment rate is only 2-3 percent, PCA had 3,500 walk-in applicants in a year. PCA computed reduced turnover and enhanced public relations resulting from the center to be worth \$70,000 a year. An additional \$7,000 a year was saved by parents' allowing their children to serve as photographic models.

None of the centers reported any major problems resulting from their day care centers. While only PCA and Stride-Rite quoted figures, all four corporations appear to have made substantial financial contributions to their programs by way of start-up, renovation, or operating funds.

Table 6: Current On-Site Centers Sponsored by Private Industry				
Company	Location	Established	Nonemployees	Parent Tuition
Forney Engineering Dallas, Texas	In plant	8/72	75%/25%	\$28* \$35**
Photo Corporation of America Inter- national, Matthews, N.C.	In lab. tech. building	9/72	100%	\$23* First child
Stride-Rite Shoes Boston, Mass.	In factory	5/71	50%/50%	10% of em- ployees' gross salary \$63** DPW contract
Zale Corporation Dallas, Texas	In separate prefab. bldg.	1/79	93%/7%	6 wks. - 18 mos. -\$40* 18 mos. - 30 mos. -\$35* 30 mos. - 6 yrs. -\$32* **(\$5 more)
* employee ** nonemployee *** supplemented by student teachers, high school students, college field work students and pediatric interns				

- * Project staff recently identified an "off-site" center (i.e., 10 minutes from the main plant) run by Intermedics, of Freeport, Texas. Opened November 5, 1979, the center serves 240 employees' children, representing a 20 percent employee participation rate. The center, which is 90 percent subsidized by the company, serves children from 6 weeks to kindergarten age, with a staff of 40.

Current Interest

Although a telephone survey to Associated Industries and Manufacturing Associations in 34 states indicated very little knowledge or interest in on-site day care among member employers,* project staff learned of 18 separate companies, large and small, in California, Indiana, Vermont, North Carolina, Texas, Colorado, Kentucky, New York, New Jersey, and Arizona that have conducted or are currently conducting employee child care needs assessments. Furthermore, many companies across the country are discussing or experimenting with flex-time, although this may not be related to child care needs alone.

The Port Authority of New York reported in a telephone interview that their recent plans for a major industrial park in New York City have included discussions on an on-site center.

Project staff were able to identify only one private industry in New York State as currently interested in beginning a day care center—the Corning Glass Works

of Corning, New York. In a telephone interview, E. Marie Knigga, an Equal Employment Opportunity consultant at Corning, stated that a recent task force study determined there was a need for day care in the greater Corning area. The corporation hopes the center will "enhance female participation in the local labor force and improve the work situation for single parents" (*Corning Leader*, Feb. 13, 1980). At present, the plans are to serve 25-30 children from 3 to 5 years old, with an initial \$44,000 coming from the Corning Glass Works Foundation. The plans are to open the center in September 1980, probably in a nearby building rather than directly "on-site." In addition to the center, the plan calls for a day care referral service to be set up to match parents' needs to services.

At this time, it is impossible to predict the number of private companies that will move from the "interest" stage to actually supporting an on-site center. **Some of the issues employers raise are discussed in Section 9.

Ages of Children	Staff/ Child Ratios	Enrolled	# of Licensed Slots	Hours in Operation	Actual Cost Per Child Per Week
2-5 yrs.	(age) 2-3 - 3/23 4 - 2/18 5 - 2/23	64	70	5:45 am - 6:00 pm	Company cannot disclose
6 weeks - 5 years (some afterschool)	infant - 1/5 toddler - 1/6 under 2 - 1/8 2 - 1/7 3 - 1/10 4 - 1/12 5 - 1/9	170	200	7:00 am - 12:30 pm	\$40
2.9 - 6 yrs.	3 - 1 head*** /17 1 asst. 4 - 1 head /17 1 asst. 5 - 1 head /17 1 asst.	50	55	7:00 am - 5:00 pm	\$63
6 weeks - 4 years	infant - 1/6 toddlers (18 mos. - 2 yrs) - 1/9 2 - 1/11 3 - 1/15 4 - 1/18	70	73	6:30 am - 6:00 pm	Unknown

* The exceptions were Kansas, Vermont, Massachusetts, and New Hampshire, where the topic had come up for discussion recently. A need to attract employees was cited as the reason for the interest.

** Other New York companies currently expressing interest in the topic include Equitable Life Insurance of New York City and Ursula of Switzerland of Waterford, N.Y.

5. ON-SITE DAY CARE: HOSPITALS

History

Hospitals have been a major supporter of on-site centers for their employees. A mail survey to 3,000 hospitals conducted by the Women's Bureau in April 1968 indicated that there were 98 hospital on-site centers, located primarily in the southern and north central states (U.S. Department of Labor, 1970).

Hospitals reported that the provision of child care services had helped in stabilizing their work force and in recruiting new hospital personnel—nurses, doctors, and other health professionals. By coordinating their schedules with those of the hospitals, the centers facilitated shift rotation and reduced absenteeism. Nearly 90 percent of the hospitals surveyed acknowledged that staff reduction would occur if the centers closed.

Evidence suggests that the severe shortage of nursing personnel in the 1960s and the accompanying competition of hospitals for nurses were the prime elements in the development of hospital on-site centers (Perry 1978, p. 19). Although surveys conducted before 1975 identified hospital on-site centers in existence for as long as 30 years, in recent years a number of hospital child care centers have closed, possibly as a result of the increase in the supply of medical personnel, particularly nurses (Perry, p. 97). The number of centers identified fell from 98 in 1968 to 75 in 1978 (Perry, p. 96). The locations of these 75 centers are plotted on the map presented as Figure 2. Possible explanations for the pattern of these locations may be a need to recruit nurses in a particular location or the existence of unions that have been active in negotiating day care in collective bargaining.

Figure 2:

Location and Number of Hospital On-Site Centers
in the United States



Note: Data from Perry, 1978.

Characteristics of Hospital On-Site Centers

Perry's research offers the most comprehensive information available on current operations. The following data on hospital centers (Perry, 1978) invite comparisons with data on centers in other settings.

- *Time Schedules.* Hospital centers, as would be expected, are likely to be open seven days a week and accommodate two shifts of employees. These hours are, on the average, more extensive than those of all other settings except the military.
- *Day Care Staff.* The staff of hospital centers have lower educational levels than those of other on-site centers. Hospital centers have a higher average number of full-time and part-time teachers with less than four-year degrees than do centers in other civilian settings (p. 68).
- *Ages of children.* Hospital centers tend to accept children in a wide age range. Seventy-five percent, as compared with 60 percent of industrial centers,

enrolled children under one year of age. Similarly, 41 percent of hospital centers, as compared with 20 percent of industrial centers, accepted children aged 6-10. Only hospitals (71 percent) reported enrollment of children aged 10-13 (p. 71).

- *Parent involvement.* Hospital centers are only half as likely as centers in industry and government to have parents involved in day care policymaking (p. 81).
- *Employee work force.* Of all types of employers, hospitals have the highest percentage of female employees. In a hospital, the employer is more likely to be the initiator of day care services than the employee (p. 83).
- *Effects.* Positive effects such as recruitment value and reduction of absenteeism were reported by more than 70 percent of the hospitals surveyed. In addition, 59 percent of the hospitals reported lower job turnover and more positive employee attitude (p. 85).

Two Hospital Models

Two examples of hospital on-site child care centers are described below, to suggest both the "typical" model and the existence of diversity among hospital centers. The first center described is similar to other hospital centers in the make-up of its staff and its administrative structure. The second model is a cooperative venture between a hospital and a community college.

Memorial Medical Center Day Care Center, Corpus Christi, Texas

The Memorial Day Care Center, established August 23, 1976, is licensed to care for 67 children, aged 6 weeks to 12 years, per nursing shift (i.e., 7 am - 3 pm and 3 pm - 11 pm). The staff (currently 11 full-time and 1 part-time) are required to have at least a high school diploma and one year's experience working with children. The director, a child care specialist, reported that the center offers a developmental program, with specific activities planned at biweekly meetings.

The program is administered by a board comprising community people, as well as the president of the hospital and chairman of the hospital board. The hospital subsidizes the program, although center staff

did not have information as to the extent of the subsidy. The cost to run the center for 1978 was \$127,000. Parents pay daily rates of \$7.50 for infants; \$6.50 for 2-year-olds; and \$5.50 for children 3 years and older.

The center staff expressed hope that the facilities would be expanded some time during 1981.

Arms Day Care Center, Coon Rapids, Minnesota

Since 1974, Mercy Medical Center and Anoka-Ramsey Community College have cooperatively sponsored a center for the children of hospital employees and students of either organization. The hospital provides space, supplies, and equipment, with meals and snacks coming from the dietary department. The college provides salaries and curriculum.

Presently, the program serves 53 children aged 6 weeks to 5 years, Monday through Friday, 6:30 am - 6:30 pm. Tuitions are \$40 per week for toddlers and infants and \$35 per week for preschoolers. A drop-in fee of \$1.50 per hour is charged for a minimum of three hours.

Center staff includes seven full-time workers, plus seven college students who work ten hours a week during busy times (7 am - 12 noon, and 3 pm - 6 pm).

Recent Developments

Because of the short duration of the present research project, it was not possible to acquire in-depth information about new centers discovered during the final stage of project activity. As of February 20, 1980, project staff had learned of the recent establishment of on-site

hospital programs in North Carolina, Illinois, Indiana, and of hospitals conducting feasibility studies in Pennsylvania, California, and Kentucky.

6. ON-SITE DAY CARE: FEDERAL AND STATE AGENCIES

Federal Agencies and Day Care

History

It is difficult to chronicle all of the events and groups responsible for the development of federal government employer on-site centers in Washington, D.C. Certainly the Department of Labor's center, which opened in 1968, became a focal point as a model center. Authority to establish the program was related to the Department's mission, with partial funding coming from Title I of the Manpower Development and Training Act for demonstration-research activities (U.S. Department of Labor, hereafter DOL, 1971, p. 7). Two different private nonprofit corporations ran the center. During the 1975 demonstration, the model provided training for parents in operating the center, a design which is the basis for federal on-site centers today.

Other demonstration centers were established by the National Institute of Education (NIE) and HEW, in 1971, and the Office of Economic Opportunity (OEO), in 1972. Each of these centers was established in relation to particular goals of the parent agency, such as child development or support for low-income employees.

In 1975, various specialists involved in federal agency day care came together under the leadership of Carmen Maymi, director of the Women's Bureau. Through this meeting and the support of the Interagency Governmental Subcommittee for the Federal Women's Program, the Alliance for Child Care in Federal Agencies was formed. This group served as a catalyst, conducting agency child care feasibility studies and working to clarify policy guidelines that would permit federal agencies, in cooperation with parents, unions, and other groups, to set up child care programs or continue existing programs (DOL, 1975).

In November 1975, the General Services Administration (GSA) proposed regulations on the use of federal space which would have required payment of rent and the loss of the child care service as an employer-related service or benefit (Douglass, 1976, p. 22).^{*} Through the efforts of the various interest groups, GSA ruled in 1976 that, upon determination of the need of child care services "for employee welfare and morale, an agency head could provide for a program" (DOL, 1978).

The pattern of program initiation that has emerged is a varied one, with some chief policymakers (department

secretaries and assistant secretaries) lending support, as well as employee and union groups. The HEW center, which had been scheduled to close when the demonstration project ended, was continued by the efforts of parents, who received Congressional authorization to establish a parent-employee operation (DOL, 1978).

Likewise, the other day care centers begun as demonstrations by federal agencies (NIE, OEO, and DOL) are now parent-operated, parent-controlled, and self-sustaining. In addition, on-site centers have been established, and continue to be operated and controlled, by employees (i.e., parents) in four other federal agencies: the Department of Agriculture (USDA), Beltsville, Md.; Department of Housing and Urban Development (HUD), Washington, D.C.; National Institute of Health (NIH), Bethesda, Md.; and the Goddard Space Flight Center-NASA, Greenbelt, Md. Thus, the federal government's support of the on-site center has been limited to "providing for and renovating space, supplying start-up equipment and supplies, and generally maintaining the facility" (DOL, 1977).

Federal On-Site Centers in Washington, D.C.

Project staff conducted site interviews at six federal agency on-site centers in the greater Washington area in October 1979. (Table 7 outlines some key aspects of the costs and operations of these centers.) All six centers are run by independent boards of directors who have responsibility for policymaking in all aspects of center operation. Various commonalities and differences exist among the centers, as described below.

Age. The ages of the children accepted at the centers range from 18 months through 5 years. No children under 18 months are accepted because of the added regulations for infant care (although some centers indicated there is a need). Only DOL and HEW take children between 18 months and 2 years, again, because of the extra expense in hiring more teachers and having separate facilities as required by regulations. HUD and DOL do accept slightly older children (ages 6 to 8) in the summer, when other children are on vacation with their families. All centers reported having waiting lists.

The NIH center has a cooperative program with an elementary school for an all-day kindergarten program and before- and after-school care.

^{*} The U. S. Department of Management and Budget considered eliminating the free rent status again in 1978, but efforts by centers and other groups averted the action a second time.

Table 7:
Federal On-Site Day Care Centers in Washington, D.C. Area

	Department of Health, Education, and Welfare (HEW), Washington, D.C., (Penthouse Nursery, Inc.)	Department of Housing and Urban Development, Washington, D.C., (HUD Day Care Center)	Department of Labor (DOL), Washington, D.C., (Department of Labor Day Care Center)
Slots	60	60	100
No. of Children	60 f.t.	51 f.t., 5 perm, p.t.	88 f.t.
Waiting List	X	X	X
Age			
0-18 Mos.	-	-	-
18 mos.-2 yrs.	X		X
2 yrs.	12	11	16
3 yrs.	16	15	16
4 yrs.	16	14	32
5 yrs.	16	-	22
Hours	7:30 am - 6:00 pm	7:30 am - 5:30 pm	7:30 am - 5:30 pm
Cost/Weeks	\$39 (3-6) yrs. \$41 (18 mos. - 2 yrs.)	Sliding Scale \$30 - \$49	\$38 all others \$43 (toddlers)
Budget			
Income	\$139,000	\$ 80,000	\$181,000
Expenditures	\$138,000	\$ 90,000*	\$194,000**
Director's Salary	\$14,000	\$13,000	\$15,000
Employer Donates Space & Utilities	X	X	X
Grants		WIN - 1 aide \$3,000, United Black Fund	WIN - Aide CETA - Aide
Start-up Money	X	\$ 8,000 - HUD \$12,000 - Board	\$150,000 - Labor
Fund Raising	Bake Sales, Book Sales	Bake Sales, Book Sales, Theater Party, Disco Party, Craft Show	Bake Sales, Book Sales, Craft Shows, Movies
Volunteers	1****	*****	*****
Coordination with University		2 aides (irreg. basis)	Georgetown University Counseling & Training
Lunch Provided	X	X	X

*Budget does not show revenue from fund raisers.

**Center plans to increase tuition to cover deficit.

Table 7
(continued)

Goddard Space Flight Center/NASA, Greenbelt, Md., (Goddard Child Development Center)	Office of Education (OE), Washington, D.C., (Federal Employees Cooperative Learning Center for Preschoolers Inc.)	National Institute of Health (NIH), Bethesda, Md., (Preschool Development Center)
45	40	57
45 f.t.	40 f.t.	56 f.t. (preschool)
X	X	X
-	-	-
2	6	-
14	25	19
14	4	37
15	-	-
7:15 am - 5:30 pm	7:30 am - 6:00 pm	7:30 am - 6:00 pm
\$35 flat rate (Purchase of care subsidy available)	\$35 flat rate	Cost of care \$54.50 (sliding scale fee)
\$ 81,900 \$ 80,000	\$ 73,000 Not available	***
\$14,000	\$13,000	\$14,500
X	X	X
Title XX CETA-Summer Aide	CETA-2 aides	NIH Grant Approximately \$4,000
\$10,000 NASA	X	X
NO	Bake Sales	Book Fair, Art Auction
.****	1****	5****
University of Maryland - 2 aides (2nd Semester)		Montgomery Community Col- lege, 2 Student Teachers
X		X

***Budget included in report; center's costs difficult to separate from outside kindergarten program.

**** Parent volunteers on irregular basis—for field trips, not classroom.

Parent Involvement. Parents are most actively involved at the HEW, DOL, and NASA centers, where specific attempts have been made to involve them. The Office of Education center reports that only 10 percent of parents are active. The HUD's center director indicated a need for more parent involvement, in fund raising, managing, organizing, and participating on the board.

Funding and fiscal operations. It appears that many of the fiscal issues confronting federal agency-sponsored day care centers are no different from those faced by day care operations in general. All centers reported operating on "tight" budgets. One had recently increased tuition to cover deficits. At two centers that were experiencing budget problems, directors were concerned that the quality of care had been affected by the time staff had to devote to secretarial and bookkeeping tasks. Yet, at the time of the interviews, the NASA center, with a comparable budget, was operating in the black, as was the DOL center, where a new director had been able to reverse financial problems, raise staff salaries, launch a publicity campaign, and nearly double enrollment.

Parent fund raising and subsidization of staff via WIN and CETA contracts have supplemented parent tuition in five centers. Three centers have the support of college student aides on occasion.

Low staff salaries were a concern in several centers. One center director stated that she was resigning in December 1979, because of "insufficient salary."

Six of the eight centers in the Washington area have been in operation under parent control for an average of six years (USDA since 1968), indicating that the parent-operated model is viable and functional given facility support from the agencies.

Federal On-Site Centers in Boston and Chicago

Project staff contacted two additional federal on-site centers, one in Boston and one in Chicago, and conducted telephone interviews. The information acquired in these interviews is summarized below.

The Government Center Child Care Corporation, Boston, Massachusetts. The director of the Government Center at the JFK Federal Building, in midtown Boston, noted that the center had come about as a result of an interagency task force several years ago. The center, opened in February 1978, is operated by a private nonprofit corporation, headed by an eleven-member board of staff, parents, and "friends." Start-

up funds had come from an HEW grant, and renovation costs were assumed by the GSA.

Thirty children, ranging in age from 3 months to 5 years, are served in the center. Tuition levels are \$79 a week for infants; \$74 a week for toddlers; and \$64 a week for preschoolers (33 months-5 years). Operating costs come from parental tuition (90 percent) and fund raising (10 percent) by staff, board, and friends. **

The director has a staff of thirteen, including five teachers. The permanent staff is supplemented by CETA workers and volunteers from R.S.V.P., a senior citizens group.

Although parental involvement is not required, all the parents give some kind of volunteer support—serving as consultants, for example.

The Paul K. Kennedy Child Care Center, North Chicago, Illinois. The Paul K. Kennedy Center, which opened in September 1977, is located in the basement of a building leased by the Chicago Medical School from the Veterans Administration Hospital. The largest number of children who use the center are children of hospital employees.

Like the Government Center in Boston, the Paul K. Kennedy Center is run by a nonprofit corporation made up of parents and, in this case, hospital personnel.

The center operates on a first-come, first-served basis, accommodating approximately 45-50 children a day, aged 6 weeks to 6 months. There is a full-time kindergarten, and provision is made for "drop-in" children.

At present the program runs seven days a week, from 6 am to midnight on weekdays and from 6 am to 8 pm, on weekends. Beginning in March 1979, the center will close at 7:30 pm seven days a week. The staff comprises nine full-time and twelve part-time teachers and aides, who work in two shifts. A cook prepares breakfast, lunch, supper, and two snacks, with consultant help from a hospital dietitian, who is a board member. Parents occasionally volunteer for field trips.

The tuition at this center is set at a daily rate, based on a sliding scale:

	Income up to \$15,000/yr.	Incomes of \$15-\$20,000/yr.	Above \$20,000/yr.
Preschool	\$7.00	\$7.60	\$8.20
Infants	8.40	9.00	9.60

* This may be a function of the relatively high educational level of staff in governmental on-site centers, which qualifies them for higher-paying jobs. Perry found the average number of degreed teachers to be 2.83 in government centers, as compared to 2.25 in industry and 1.29 in hospital centers (Perry, 1978, p. 68).

** An example of a fund-raising event was a board-sponsored conference held in September 1979 on the topic "How to Establish an Interagency Day Care Center." A handbook from that conference is being sold by the group.

Current Interest among Federal Agency Employers

In the late stages of research, project staff learned of new interest in on-site centers among federal agency personnel and were able to confirm two such initiatives.

A telephone interview was conducted with Kathryn Gunderson, a computer specialist with the U.S. Geological Survey, in Reston, Virginia, a bureau of the Department of Interior. Ms. Gunderson, a representative to the Federal Women's Program Advisory Committee, is currently vice-chairman of an ad hoc committee conducting a needs assessment of the Survey's 2,600 federal employees. The group is theorizing that a need for infant care will turn up in the survey.

In another interview, Chere Calloway, special assistant to the Assistant Secretary for Fish, Wildlife, and Parks at the Department of the Interior, Washington, D.C., indicated that a survey in that division has turned up interest in an on-site center for 2-6 year olds. Employees, though, are encountering difficulties reminiscent of those in other agencies. While they are receiving support from the Assistant Secretary of Administration, the group has difficulties with locating proper space and obtaining funding for renovation. The experiences of other agency center personnel are being reviewed in an effort to overcome these difficulties.

State Agency On-Site Centers

In addition to the Children's Place at the Plaza, the center at the Albany Empire State Plaza for children of state employees, project staff identified only one other state employee on-site center—the Department of Motor Vehicles Child Care and Development Center, Inc., of Sacramento, California. Table 8 outlines some features of the two programs.

The Children's Place

This center, which opened September 10, 1979, is primarily for children of state employees. Run by a private, nonprofit corporation, the Empire State Day Care Services Corporation, the center serves 78 children, from 8 weeks to 5 years of age. A full-day kindergarten is being planned for fall 1980 which will accommodate 20 more children.

The idea of providing day care to state workers' children came as a result of negotiations between the state and the Civil Service Employees Association. Although start-up funds came from a \$50,000 research and development grant from HEW, the center is self-supporting, with expenses paid from tuition. The program operates as a model for day care for state government and state university campuses across New York State, and assessments of other state agency sites in Albany are already underway.

In addition to the regular day care program, the Children's Place will soon initiate a program sponsored by the NYS Very Special Arts Festival, Inc., through

A third important initiative for federal employer sponsorship is currently underway in Congress. House Resolution 515, sponsored by Frank Thompson, Jr., Democrat, N.J., Chairman of the House Administration Committee, proposes to establish a Congressional Child Care Center for children of senators, representatives, and Congressional employees. The operating expenses would come from parent fees, and the center would be self-supporting. A revolving fund would provide start-up monies to be repaid by parent tuition. An advisory board made up of congressmen, parents, and child care experts would review operations (*Congressional Record*, December 20, 1979, H 12421-22). The location is to be on-site, i.e., located near Capitol Hill offices.

A spokesman for Thompson's office reported in a telephone interview that subcommittee hearings on February 21 had gone "very well," with seven staff people testifying in favor of the center. Written testimony was expected from Senator Ted Kennedy and from groups with experience in such centers. The resolution is to be referred to full committee, and a lobbying effort is expected to follow.

which day care staff will receive training in infant stimulation techniques for infants and toddlers. Another innovation of the Children's Place, begun in January 1980, is an arrangement with supervisors, whereby nursing mothers may go to the center to feed their children. Four mothers are currently participating in this program, and two more are to begin in March.

DMV Child Care and Development Center

The DMV center is also run as a nonprofit private program, serving preschool and kindergarten children of California state employees at the Department of Motor Vehicle's State Office complex. This center is supported by parent fees and by fund-raising events, such as raffles sponsored by the corporation.

The center was established as a result of discussions by the State Commission on the Status of Women. The Department of Motor Vehicles was chosen as the site because that agency had a predominantly female work force, with significant child care needs (Department of Motor Vehicles—hereafter DMV—fact sheet, 1979, pp. 1-2). The center opened in July 1975, through the fund-raising efforts of parent-employees, who also built equipment and repaired toys. A \$20,000 loan from the state employees was repaid in March 1976 (DMV fact sheet, p. 3).

The center currently serves 54 children, with separate classes for 2-, 3- and 4-year olds, as well as a full-day kindergarten.

Over the years the tuition has been raised from \$95 to \$125 per month. Initially, the center operated with a swing shift schedule, covering the hours 3 pm to 1 am, in addition to the regular 6 am to 5 pm shift. The swing shift was discontinued in 1976 as demand decreased, but recently interest has been expressed in resuming an evening program.

Evaluation of the Centers

The DMV director and the Children's Place program director both see their programs as providing important

support services to working parents. While the DMV center has not conducted a comprehensive program evaluation, it reports that the center has aided recruitment and reduced turnover and absenteeism.

The Children's Place, while still a very young program, has a formal program evaluation design, unique to on-site centers, which will monitor data during the program's first year to measure effectiveness.

**Table 8:
Current On-Site Centers for
State Employees**

	Children's Place at the Plaza, Empire State Plaza Albany, NY	Department of Motor Vehicles Child Care & Development Center Sacramento, CA
Location	First floor of state government building	First floor of state government building
Date opened	September 1979	July 1975
Current Enrollment	78	54
Age Range	8 weeks/preschool	2 years/kindergarten
Tuition	Sliding scale \$35/\$40/\$45 per week	\$125/month
Start-up Funds	\$20,000 expended	\$3,500 parent fund raising and \$20,000 loan from group of state employees
Hours	7:00 am - 5:30 pm	6:00 am - 6:00 pm
Staffing	Director Administrative Assistant 5 full-time teachers 5 full-time assistant teachers 5 aides 8 part-time aides 4 volunteers (university students) 1 CETA aide 3 student teachers each semester	Director Assistant Director 5 teachers 1 aide CETA aides 2 RSVP volunteers Cook Housekeeper

Some Observations Regarding State and Federal On-Site Centers

Attrition

The above overview of federal and state government centers indicates that this model has a lower "attrition" rate than centers located in industry.

Of government centers in the Washington, D.C. area, project staff were able to identify only one government center that had closed: the Social Security Employees Day Care Center, which had operated from 1975 to 1979. An equal opportunity specialist who had been involved in the development of the center cited several reasons for the closing:

- *Stabilization of the work force.* As workers' children grew older and left the center, there were no new employees' children to replace them.
- *Competition from other day care centers.* New facilities opened in an area that had previously lacked day care services.

In short, government employee centers, like industry-sponsored centers, are affected by labor demand as well as parental preference, family income, and location.

Factors in Viability-Feasibility

Although no systematic study has been made to determine what the key variable is in parental choice of child care, Ogilvie (1973) identified several factors necessary to support the existence of on-site centers.

These factors include a large female labor force in one site; a sustained need for additional female employees, in order to utilize the center's recruiting value; and above-average turnover and absenteeism costs, to give management an incentive to provide or subsidize the service.

The extent to which these factors are present in a government labor population may be a criterion for the feasibility of establishing new centers. One source of this information is the Ethnic Survey of the Work Force of New York State Agencies (New York State Department of Civil Service, 1977), which includes the number of female employees in each state agency. By plotting this population by site location, the most feasible locations for on-site centers might be identified. This exercise would, of course, suggest locations only on the basis of female labor force. Needs assessments of employees, as well as data on recruitment trends, labor demand, and absenteeism-turnover costs would be required to maximize decision making following Ogilvie's model. *

* For an interesting model for locating day care facilities maximizing accessibility, see Holmes, Williams, and Brown, 1972.

7. ON-SITE DAY CARE: THE MILITARY

History

There has been very little published in the current literature on child care systems operated in Department of Defense facilities for the Army, the Navy, and the Air Force. Greenblatt (1977) indicates that Army day care programs were established at home and abroad beginning about 1956 (p. 65). The purpose of these

programs was to improve the morale of servicemen and their families. By 1966, programs were serving approximately 20,000 children. Neither maternal employment nor poverty was a requirement of eligibility, leading Greenblatt to conclude that social policy in the military was more liberal than that in the nation generally.

Operations

Military child care has typically operated on an "as required" basis, usually at the option of the local base commander. Child care services are expected to be self-sustaining and are financed by nonappropriated funds—user fees, private contributions, and—rarely—federal funds. In addition to "morale support," these services are seen as supportive of the welfare and recreational activities authorized on each base. Many centers allow civilian personnel working at the installation to use the service (Perry, 1978, p. 73).

Hours of operation are considerably longer than those in most civilian child care centers, with an especially strenuous schedule during alerts, when 24-hour care is

provided. Many military child care centers are also open on weekends, closing at 1 or 2 am.

While most military child care programs receive close fiscal audits, frequent fire inspections, and other controls, there are no licensing requirements comparable to those imposed on civilian operations. The ratio of children to staff is generally higher in military centers than in most civilian programs. Group size may be as large as 160 children at a single center. Perry (1978) found the mean maximum enrollment for military centers to be 132.62, as compared to 74.37 for civilian centers (p. 72).

Military Centers in New York State

Project staff interviewed the directors of seven New York State military child care centers. Every director noted that the program was largely an extra service to base personnel, with only a small percentage of families using the service to support both parents' working.

In New York State, the Air Force uses a staff-child ratio of 1:10 for young children and 1:15 for older children, with children under care ranging from 6 months to 10 years. Children under care in the state's Army installation centers range from 6 weeks to 12 years; the

staff-child ratio is 1:5 for young children and 1:10 for older children. A new Navy center in the state, open only a few months, reported a ratio of 1:5 for very young children and 1:8 for older ones.

Rates at the seven base centers average \$31 per week for full care and \$.90 per hour for drop-ins. All but one center were described by the director as very accessible, usually located near the base commissary, which provides meals, and the clinic, which provides any necessary medical care.

Problems of Military Day Care

Military child care services have been accused of being "custodial programs which foster the institutional neglect of children" (Spendlove, 1978). Major problems of these programs are (1) a lack of adequately trained personnel, partially due to the absence of training criteria; (2) a lack of operating funds; and (3) the host of problems associated with transiency (e.g., family transfers and sporadic, drop-in attendance).

A new initiative currently underway in the Army is anticipated to bring a positive change. Until quite recently there was no one central Army administrative department for child care. According to Shirley Brown, social work program specialist with the Community Services Division, Department of the Army, it is only since October 1978 that Army day care centers have been organized under one unit, Community Services. Prior

to that time, private organizations at the installations (such as the Officers' Wives Club) operated the centers. The goal now, according to Ms. Brown, is to introduce

developmental components into existing programs, even though their primary function still appears to be a "drop-in service" at the present time.

Some Observations

While on-site military day care has differed in purpose and operation from civilian day care, there is some evidence of a trend to improve quality in the Army centers. No other conclusions can be drawn based on the limited data available on military centers.

In one interview with a New York military day care center, there was an indication of increased usage by women in the military work force and some evidence of a demand for quality programs from this segment. Two centers reported receiving directives for the provision of infant care, a request also cited by several of the civilian on-site centers interviewed by project staff.

One can theorize that the growing number of women and single parents in the military may affect the day care system. Several statistics are notable in this regard. First, the Army reports 14 percent of its women became pregnant last year (*Newsweek*, 1980, February 18, p. 41); moreover, pregnancy is no longer a basis for compulsory discharge. Second, child care needs have surfaced among the 18,000 single parents in the Army (*Ibid.*, p. 42). Currently, women constitute approximately 8 percent of the U.S. armed forces. If this proportion increases, as expected, the need for day care can be expected to increase.

History

On-site day care centers supported by institutions of higher education have varied in sponsorship, purpose, and population served.

The on-campus day care center or nursery school has often served as a research and training laboratory for students, supporting studies in child development, ear-

ly childhood education, and child psychology. Greenblatt (1973), in a 1971 survey of 1,100 institutions, found faculty and university administrators to be the initiators of campus nursery and laboratory schools, while the pressure for day care centers came most often from student parents (p. 58).

Supporters and Clients

In a study of the politics of university day care advocacy, Simmons and Chayes (1973, pp. 229-231) further identified support groups and their goals, as described below.

Female Graduate Students Supported by Female Faculty Members and Wives

The cause of female graduate students is the establishment of an equal opportunity model to support their ongoing work or studies. Knowledgeable in university politics and educational theory, these students have developed effective strategies. With the support of female faculty members and wives, they have supported high child care standards in lobbying for centers.

Undergraduate Students

In the early 1970s, much of the undergraduate activity in support of on-site centers came from "radical" groups, as an element of political and social activism. These groups advocated the establishment of day care centers as a means of serving the community in which the university was located.

Another study (Major, 1975) points out that some undergraduate groups have worked to establish day care centers because of their own need for child care service.

For example, in 1971, a large percentage of students attending George Mason University in Fairfax, Virginia, were married students, many of them with young children and holding part-time jobs. This group was able to establish a center in 1973, with the support of student government, faculty, and other campus organizations (Major 1975, pp. 25-26).

Nonacademic Staff-Employees

Other than minority employee groups, which have sometimes linked day care to affirmative action on campus, most nonacademic employees have not been involved in the day care issue, relying on other child care arrangements made before day care on site was available (Simmons and Chayes, 1973, p. 231). Project staff were unable to uncover data on the effects of nonacademic employee unionization and the inclusion of day care as a bargaining issue in recent years. However, the lack of participation by nonacademic employees may be linked to the prevalence of student-parents in the administration of on-campus centers. Greenblatt found 48 percent of campus day care programs administered by student-parents (1973, p. 59).

Day Care Services on State University of New York Campuses

From a total of 59 New York State University campuses, 29 were found to have day care programs, with at least 2 other campuses developing centers. Of the 30 campuses without day care services, 9 indicated a need for them.

Most of the 29 programs are funded by a combination of parent tuition, various student organization funds, fund raising, and the Federal Food Reimbursement Plan of the USDA. The programs often have cooperative arrangements with other campus

* Project staff obtained current survey data on day care services in the State University of New York (SUNY) from a mimeographed report by Phyllis Bader, Associate for Student Services, SUNY Central Administration, entitled "Day Care Services: State University of New York," August 1979.

programs—allowing use of the centers as a source of research, for student-teacher training, for student, faculty, and parent observation, and for work related to various credit courses.

Staff generally include a full-time director and one or two full-time teachers, plus work-study students, part-time students, student aides, CETA employees and trainees, and students enrolled in child development courses.

Full-day care is usually available, although several centers are open only half a day.

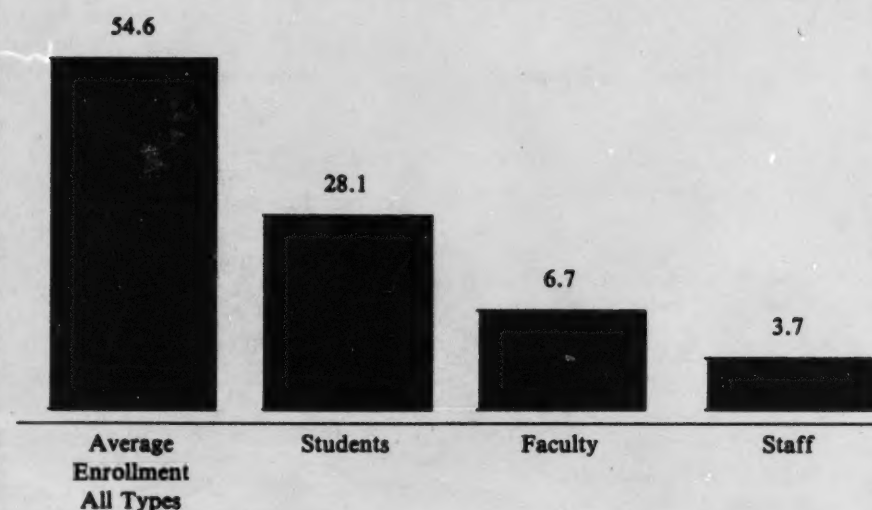
While the state campus programs serve students, faculty, staff and "others"—usually children from the

local community—an analysis of the data confirms that the largest use is by students (see Figure 3).

Thirteen of the 29 campuses have waiting lists, primarily for children of students. Two campuses, Binghamton and Stony Brook, have ten or more staff on the waiting list.

According to Phyllis Bader, of the SUNY Central Administration, there is an ongoing assessment of day care needs in the State University system,* with new initiatives being developed to be responsive to the child care needs of nonacademic staff as well as of students and faculty (telephone interview, February 27, 1980).

Figure 3: Average Number of SUNY Day Care Consumers by Type at 22 Sites*



* Complete data were not available from 7 sites

* Related to this is the ongoing research by J. Cobern, "Needs Assessment for Child Care Services Among Women in New York State Occupation-Education Programs," which includes SUNY's community college system.

A number of findings have emerged from the comprehensive review of literature and the extensive interviews with former and current on-site day care center directors conducted for this study. The most salient fin-

dings regarding current trends, variables associated with success, employer concerns, and parent concerns are summarized below.

Current Trends

On-site day care is very much a topic of interest in the United States today. Employers, parent-employees, child care advocates, and legislators across the country are conducting needs assessments, forming study groups, and drafting legislation favorable to the support of on-site centers. While the numbers involved are

not great, the wave of interest is a significant indicator that support of child care is a concern in a nation where female labor force participation has reached 41.6 percent for married women with children under the age of 6 (Smith, 1979, p. 11).

Variables Associated with Success

There exist today successful on-site day care centers operating in industry, government, and hospital settings. While unemployment and inflation took a toll on centers in the early 1970s, particularly those in industry, a small number of industrial and government agency centers and a larger number of hospital centers have remained open. While research has not uncovered the key variable associated with these successful models, whether employer-operated or employee-operated with employer support, the following elements stand out as critical components:

- An assessment of needs conducted prior to opening
- A commitment by the employer to continued support (e.g., space and maintenance provision, subsidization of tuition)
- A relatively large female labor force (While no definite parameters have been established, a labor force of 1,000 employees, with 50 percent full-time

female participation, seems reasonable. The percentage of single parents--mothers and fathers--with preschool children is an important factor in assessment of eligible parents.)

- A quality program, in terms of staff qualifications, staff-child ratios, curriculum and facilities
- An enrollment large enough to ensure cost-efficiency as well as maintain employer commitment (The experience of currently operating centers suggests about 100 children.)
- An attractive tuition rate (currently \$30-\$60 per week)
- Operating hours that match employee schedules
- Ongoing evaluation of program objectives, program components, costs, parental satisfaction, etc.

Employer Issues

Employers considering the establishment of on-site day care centers, as well as those with centers already in place, tend to raise common questions, generally about cost, benefit, and utilization (Rowe, 1973).

What Is the Cost?

Questions about cost are difficult to answer, as costs

vary with staff size and number of children served. Comparisons across programs are hampered by employer reluctance to share this information and by variations in program components from setting to setting. Costs include initial start-up as well as operating expenses. Tax incentives such as amortization seem not to be regarded as sufficient compensation for costs. Many employers find state regulations for day care

centers to be cost-prohibitive, particularly requirements regarding physical space and number of staff. Staff salaries, which constitute 75 percent of most day care budgets, are a major concern in an inflationary economy. Day care staff salaries are presently at the minimum wage level, and many on-site centers utilize volunteers.

The likelihood of salaries' remaining at this level, especially given the sensitivity of operating costs to this issue, is a primary concern of employers considering the establishment of on-site centers.

What Are the Benefits?

Of course, the level of cost tolerated by an employer is likely to be directly proportional to the benefit perceived. Current and former centers interviewed for this study reported some type of company benefit as a result of the center. Few centers had conducted formal studies, but those that had tracked some data—Vanderbilt Shirt, Mr. Apparel, P.C.A. International—all reported reduced turnover. P.C.A., like other centers that had not conducted formal studies, also reported the center has served as a recruiting device. Directors of currently operating centers, as well as employers who formerly conducted on-site programs, cited improved productivity, lower absenteeism, and positive employee morale. In order to document such benefits, it is imperative for current

operations to keep good records and to engage in ongoing evaluation of program outcomes.

Will It Be Fully Utilized?

An important finding of this research was a tendency for employers to overestimate the initial level of response to the program and to close when the hoped-for response was not achieved, rather than putting effort into building up the program's utilization over time. In contrast, successful centers were found to have launched publicity campaigns or taken in community children until the program "caught on" among employees.

A further variable of utilization is parental preference for a particular type of child care. While earlier studies indicated a parental preference for "neighborhood" locations for day care, no current study has surveyed a representative sample of skilled and professional employees, the group most utilizing employer-sponsored centers (Perry, p. 99). Preference is very much a reflection of perceived options. Unless aware that on-site centers are an option, parents will go on choosing what's available. Projections of female labor force participation through 1990 indicate there will be a decline in the availability of informal child care (Smith, p. 18).

Parent Issues

Apart from their general preferences for a particular type of child care, parents, too, tend to raise certain questions about on-site care.

What Is the Quality?

Questions about quality were raised continually with regard to earlier centers in the late 1960s. All centers in this study reported compliance with state regulations regarding child-staff ratio, etc., with many exceeding them. No conclusions on current operations quality can be made from the present review. However, the availability of quality neighborhood options certainly affects parental preference.

What Is the Cost?

Employer-sponsored centers have been lower in tuition costs (Perry, p. 104), due to subsidies by the sponsoring organization. What parents can afford is a key factor in their choice of child care.

What Are the Benefits?

Centers interviewed reported parents' spending some time with their children during the work day. While no parents were interviewed for this study, center directors reported that this accessibility of children to their parents was generally regarded as a benefit of on-site care.

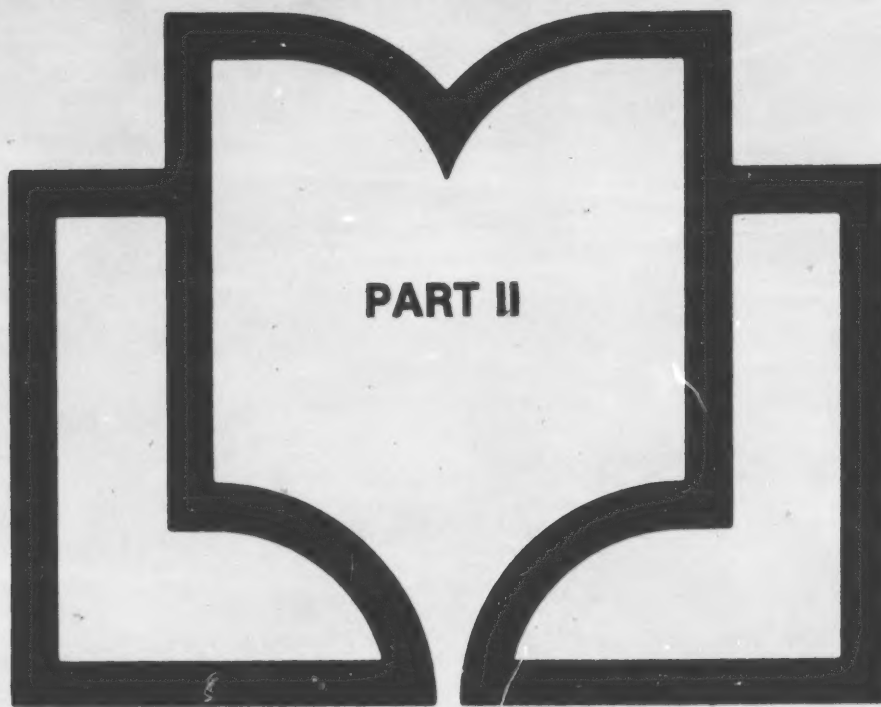
Given the increased demand for child care created by the growing number of women in the work force, and given the advantage to many parents of having their children in close proximity to their workplace, on-site day care appears, at the very least, to be a viable program. The apparent benefits to employers (e.g., attracting prospective employees and reducing turnover) must, of course, be perceived as in a favorable ratio to costs in order for employers to undertake such programs.

The degree to which on-site day care will become available in the future is dependent on a number of interrelated factors—among them the incentives for employers to sponsor such centers, the economy, parental preference, and the tuition cost of on-site care relative to alternative forms of care. It is hoped that the findings of this study will significantly increase the body of knowledge with which corporate and public policymakers consider these factors.

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PART II MODELS DEVELOPMENT

These models of employer-supported day care are drawn from the operational designs of former and current programs. They represent options for employers in support of the child care needs of their employees.

THE ON-SITE CENTER MODEL

The operation of a day care center represents an employer's maximum involvement in child care. Located on workplace premises (or in close proximity), the facility may be operated as a division of the parent company, a subsidiary corporation, or an independent, nonprofit corporation. Financial support options include total subsidization of start-up and operating expenses, subsidization of tuition costs, or the provision of space, maintenance, and in-kind services. The center may be run by a professional staff hired by the employer, by a hired child care consultant, or by a separate child care management firm.

Alternate models of operation include an employee-run center in space rented or leased from the employer or the employer's purchase of care for employees' children in an on-site center leased and run by an independent child care provider.

On-site centers also vary in the program components that they offer. While many centers provide a comprehensive child development curriculum, others emphasize socialization skills; still other centers design their program around a drop-in service, in which attendance may vary widely.

The most common age group served in current on-site centers is 3-5 years, but newer centers have expanded their services to include infant care and after-school programs for elementary school-age children.

The most frequently mentioned benefit of the on-site model to parent and child is the opportunity for interaction during the workday. In addition, employees are better able to integrate their parental and employment roles and are relieved of the stress that often accompanies reliance on babysitters or inferior or distant child care centers.

For the employer, on-site centers can serve as a recruitment aid, particularly in attracting female employees and single parents. In addition, improved employee morale and productivity may result, as employees are relieved of stress related to child care concerns. Sponsors of on-site centers have also reported reductions in employee turnover and absenteeism.

One problem associated with the on-site model is underutilization by employees. This may occur as a result of parents' preference for child care in a neighborhood setting or the impact of employee layoffs or labor force stabilization. Other problems cited by employers are increased liability and the possibility that some workers may regard the day care center as a "special" benefit accruing to a limited number of employees.

Employers should weigh all of these considerations before initiating an on-site center.* Once an on-site center is established, an ongoing evaluation design, including cost-benefit analysis, should be implemented.

EXISTING SETTINGS:	<u>Industry</u>	<u>Government</u>	<u>Hospital</u>
EXAMPLES:	PCA International Matthews, N.C.	Children's Place at the Plaza Albany, N.Y.	Memorial Medical Day Care Center Corpus Christi, Texas
VARIATIONS:			
EMPLOYER SUPPORT:	Total program subsidization; subsidization of tuition; total or in part facility and maintenance provision; in-kind services; and start-up fees		
AGE GROUPING:	Infants; preschool; kindergarten; elementary (before- and after-school); comprehensive (all age groupings)		
MODEL:	Company rents or leases on-site space; may purchase or guarantee slots for employees (e.g., Connecticut General Life Insurance Co., Hartford, Conn., and Abt Associates, Inc., Cambridge, Mass.)		

* A guide for employers planning to investigate the feasibility of the on-site center model is provided in Section III of this report.

BENEFITS To Employees, Employers, and Children	PROBLEMS/ CONSIDERATIONS	CHARACTERISTICS OF SUCCESSFUL MODELS	RECOMMENDED EVALUATION STRATEGIES
• Children and parent interaction during work day • Parental "peace of mind"; improved employee morale • Parent availability to child • Aid in recruitment and affirmative action • Enhance public relations • May reduce employee turnover and absenteeism • Tax deductible as business expense; other costs amortized over five years	• Parental preference for other settings • Liability in case of accidents • Attendance affected by layoffs, inflation • Benefits limited to number of employees • May need to open center to community if employees don't fill slots	• Quality program (staff, facilities) • Large female labor force • Commitment of employer to support • Operating hours that match employee schedules • Ongoing evaluation • Parental commitment and involvement in program • Assessment of needs prior to opening • Large enrollment • Attractive tuition rate	• Needs assessment (short- and long-term) • Cost analysis • Analysis of support services (in-house or community) • Ongoing evaluation design (program objectives, need components, costs, etc.)

THE OFF-SITE CENTER MODEL

For employers who lack adequate or appropriate space, the "off-site" model may be the only feasible means of meeting employees' need for child care. In addition, some employers who do have adequate space may opt for off-site child care for various reasons. For example, the company may have multiple plant locations; or an off-site location may better meet the needs of employees, as when the center is located near a housing development where a large number of employees live. Furthermore, by providing care for employees' children in a separate facility, employers may be relieved of some of the concerns associated with an on-site operation, such as liability and administration.

The degree of the employer's financial support of off-site child care will vary, depending, again, on the operational design. Variants of the off-site model include centers that are subsidiaries of the parent company, as well as community day care centers partially supported by the employer (because of its proximity to the work site and utilization by employees' children). Rather than directly supporting a center, an employer may opt to purchase slots in the center for his employees' use, or he may provide vouchers or cash allowances, often on a sliding scale, with which employees may obtain child care according to their own preferences. Yet another variation is employer support of the development of family day care homes in the neighborhood where employees live. This initiative could be combined with an on-site or off-site group center.

Employers may also cooperate with union efforts to establish child care centers close to employee work sites.

The Amalgamated Clothing and Textile Workers Union of America and their employers have established six centers in Pennsylvania, Virginia, Maryland, and Illinois (Chicago). Forty manufacturers contribute to a Health and Welfare Fund negotiated by the Baltimore Regional Joint Board of the Amalgamated Union (which includes Pennsylvania, Virginia, and Maryland). These employers contribute 2 percent of hourly gross payrolls to the fund, which is jointly administered by labor and management. The fund underwrites the operating costs of the centers, as well as employees' annual physical and eye examinations every two years. Under this model, employees contribute \$15 per week for the first child in care, and half that amount for each additional child.

Employers and unions may also negotiate a fringe benefits package that would include day care but allow employees to choose benefits suited to their needs. These various off-site options offer the employer tax advantages, such as charitable deductions, business expense deductions, and acquisition, construction, and rehabilitation cost deductions amortized over a five-year period.

Depending on the operational model, successful off-site centers require employer commitment to the model, continued employee utilization, and adequate community resources to ensure the development of high quality center or family day care programs.

With all models of employer support, ongoing evaluation of the model's benefits and costs compared to other child care options is important.

OFF-SITE CENTER MODEL

EXISTING SETTINGS:	Industry	Labor Union	Hospital	Military
		(with employer support)		
EXAMPLES:	Intermedics			
	Freeport, Texas	Amalgated Clothing Workers of America Day Care Centers, Chicago, Ill; Baltimore, Maryland; Winchester, Va.; Chambersburg, Hanover, Penn.; Varona, Va.	In housing community where employees personnel live	

VARIATIONS:**EMPLOYER SUPPORT:**

Total program subsidization; subsidization of tuition, total or in part, purchase of slots for employees; contribution to fund for operation of center; contribution of funds, expertise, equipment; vouchers

AGE GROUPING:

Infants; preschool; kindergarten; elementary (before- and after-school); comprehensive (all age groupings)

MODEL:

Employer support of community center near work location (e.g., Welch Foods, Westfield, N.Y.); demonstration model union/industry/public funding (e.g., "Children's Village," garment district, Philadelphia, Penn.); support of family day care centers (e.g., Levi Strauss, San Francisco, Calif.).

BENEFITS To Employees, Employers, and Children	PROBLEMS/ CONSIDERATIONS	CHARACTERISTICS OF SUCCESSFUL MODELS	RECOMMENDED EVALUATION STRATEGIES
• Satisfies parental preference for other than workplace setting • Aid in recruitment and affirmative action • Enhance public relations • May reduce employee turnover and absenteeism • Company not responsible administration, liabilities, etc. • Deductible contributions charitable gifts, business expenses	• Less control over operation and quality • Parents may encounter transportation problems • If limited, may not serve all employee child care needs • Benefits limited to number of employees • Cost fluctuations based on local supply and demand of day care	• Employer commitment • Community or union cooperation • Existence of variety of quality community day care programs • Continued enrollment • Ongoing evaluation	• Evaluation of existing community day care facilities and services • Employee needs assessment • Cost analysis • Ongoing evaluation design --costs, • other options

THE CONSORTIUM MODEL

The consortium model represents a joint venture by two or more employers, who share the tasks and costs associated with establishing a child care center in a centralized location accessible to all employees. The center often serves community children, as well, and is thus less vulnerable to underutilization.

A variation of the model involves multi-employer support of a community center in a low-income area. The companies provide "seed money" for the initial construction or renovation and match government funds (such as Title XX) when the center becomes operational. Such centers may or may not include employees' children. In the latter case, the center may be part of a development plan targeting low-income urban areas.

The consortium model makes employers' expertise available to the center through representation on boards of directors and through assistance in such areas as management, budgeting, personnel practices, fiscal analysis, and legal issues.

When the program includes employees' children, employers may realize benefits in improved employee work behaviors. New employee recruitment from the area where the center is located is a further possibility. Employers participating in a consortium child care center can influence administration and program quality, while sharing the costs of subsidization with other firms. This represents both less control and fewer demands than an employer has in either the on-site or the off-site model. In the case of educational and/or hospital consortia, child care centers offer the added advantage of opportunities for student training. Tax advantages, of course, vary, according to the type and amount of each firm's financial contribution.

Companies considering the consortium model should assess the commitment of all participating employers and weigh the potential effects of a withdrawal of support by one or more companies. The negotiation of each member's financial responsibilities and resource contributions, as well as issues such as the utilization of the center for public relations purposes, is basic to the success of the consortium model.

CONSORTIUM MODEL

EXISTING SETTINGS:	Industry	Hospital
EXAMPLES:	Control Data/ Pillsbury/ North States Power/ Lutheran Brotherhood Minneapolis, Minn.	Mercy Medical Hospital/ Anoka Ramsey Community College Coon River, Mich.

VARIATIONS:

EMPLOYER SUPPORT:	Funds/fund raising; expertise; training; equipment
AGE GROUPING:	Infants; preschool; kindergarten; elementary (before- and after-school); comprehensive (all age groupings)
MODEL:	Location in downtown business district or industrial part; Downtown Day Care Center, St. Louis, Missouri (consortium of 14 businesses); community service center (not for employees); Urban Affairs Corporation Centers, Houston, Texas (consortium of 14 businesses)

BENEFITS To Employees, Employers, and Children	PROBLEMS/ CONSIDERATIONS	CHARACTERISTICS OF SUCCESSFUL MODELS	RECOMMENDED EVALUATION STRATEGIES
• Increased resource availability to develop program • May reduce turnover and absenteeism • Aid to low income community, increased recruitment from this population • Reduced costs shared by member employers • Company influence through board membership; not responsible for administration/liability • Tax deductions	• Cooperation from other companies • Competition for public relations of program • Company withdrawals from support • Benefits may accrue more to community than to employees	• Consortium commitment and cooperation • Company or individual leadership • Quality program • Ongoing evaluation	• Feasibility study of center options--on-site vs. community • Assessment of consortium members- negotiations, resources, costs, commitment • Ongoing evaluation design --costs, other options

SHORT-TERM SUPPORTS

A variety of short-term programs may be tested by employers to serve employee child care needs. While many of these programs may be trial projects, they have the potential of being expanded into long-term services.

Short-term financial supports include contributions or loans to child care agencies, centers, or family day care homes serving employee or community children. Employers may also devise creative short-term programs to meet specific employee needs; for example, child care needs during school vacation periods or support programs initiated by employee groups. Some employers have initiated referral programs, working with child care agencies in the community to match employee needs and preferences with community resources.

Innovative work designs and scheduling-part time, flex-time, compressed time, job sharing-can aid parent-employees by giving them more flexibility to spend time with their children or take care of parental tasks (e.g., teacher conferences or doctor appointments).

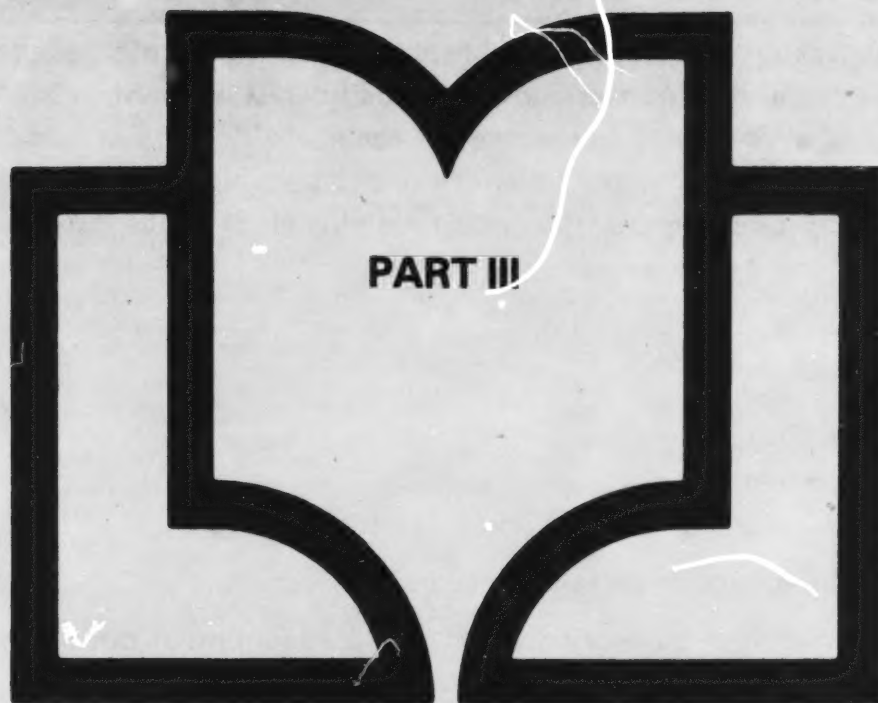
Short-term programs have the advantage of being targeted at special needs. Such projects may involve less cost and personnel effort, although a specialized staff might need to be recruited to administer a program. As with other models, the cost effectiveness of these programs is dependent on employee utilization.

In the case of redesigning the work environment, costs and effects on productivity must be carefully evaluated.

The costs associated with expansion of short-term supports into long-term programs should also be considered.

SHORT-TERM SUPPORTS		
EXISTING SETTINGS:	Industry	Union
EXAMPLES:	Fel-Pro Manufacturing Co. Skokie, Ill., (summer camp program)	United Auto Workers (locals 239, 365)/ Advocates for Parents of New York Inc. New York, N.Y. (represent working parents in schools)
VARIATIONS:		
EMPLOYER SUPPORT:	Contributions/loans to child care agencies, centers; short-term programs; referral services; support of legislation; redesign of working environments-schedules, etc. to fit parents' child care needs	
AGE GROUPING:	Infants; preschool; kindergarten; elementary (before- and after-school); comprehensive (all age groupings)	
MODEL:	Demonstration projects in flex-time, compressed schedules, part-time employment (e.g., State of New York government agencies)	

BENEFITS To Employees, Employers, and Children	PROBLEMS/ CONSIDERATIONS	CHARACTERISTICS OF SUCCESSFUL MODELS	RECOMMENDED EVALUATION STRATEGIES
• Satisfies particular child care problems of employees, e.g., summer care for school-age children • Costs are short-term and targeted • May reduce turnover and absenteeism	• Creation of staff to administer program • Effects may be short-term • Sufficient employee interest in model phase of program	• Qualified staff • Employer/employee commitment • Existence of variety of quality community day care programs • Ongoing evaluation	• Needs assessment • Evaluation of various short-term options • Cost analysis • Ongoing evaluation design--costs other options



GUIDELINES TO EMPLOYERS CONSIDERING ON-SITE DAY CARE: A FEASIBILITY STUDY*

* For an "employees' guide" to setting up child care centers, copies of "A Local Union Guide for the Establishment of Child Care Centers," by C. Haddad, may be obtained from the School of Labor and Industrial Relations, Michigan State University, East Lansing, Michigan, at 35 cents a copy. Guidelines for establishing centers in governmental agencies and suggestions for their funding are available from the Women's Bureau, U.S. Department of Labor, Washington, D.C.

Before undertaking the effort of establishing a child care center, employers need to know the extent of employees' need for and interest in On-Site Child Care, the availability of alternatives, and above all, the probable ratio of benefit to cost. Rather than proceeding on the basis of sketchy information, it is recommended that the employer authorize a systematic feasibility study of the effort, as outlined below.

I. Appoint staff within company to conduct initial research.

or
Hire a consultant to conduct initial research.

or
Set up an employees' advisory committee, representing all staff levels, to do initial research.

II. Collect preliminary data, which should include the following:

- A. A needs assessment to determine the number of employees (and community residents, if relevant) who would be interested in using such a center. This assessment should be based on a survey questionnaire that includes questions on the employee's current child care arrangements and unmet needs, ages of children in care, maximum affordable tuition level, desired hours and type of care (e.g., center vs. family day care homes), ages and care of older siblings, distance from home to projected work site center. For planning purposes, the survey should also seek employees' reactions to a tentative program model, (for example, a program for children 6 months - 4 years in two specified rooms of the building, from 8 am to 5 pm, with one early childhood specialist and two aides).
- B. A review of state licensing requirements, particularly those that directly affect labor costs—staff/child ratios. (See Table 9 for staff/child ratio requirements by child age group in the 50 states.)
- C. A review of successful on-site centers* particularly models of operation in a comparable setting, funding, corporate benefits, and problems.
- D. An assessment of existing child care facilities to determine whether there is a surplus of all types of child care, whether certain child care needs are not being adequately met, etc. This assessment should include the location of tuition level of potential "competing" centers.
- E. An assessment of community and other resources, including the following:
 - availability of funding from governmental agencies, foundations, and private donors
 - community groups or day care councils interested in supporting on-site centers by training staff or some other means
 - other companies also interested in meeting care needs (possible outcome: a joint on-site center)
- F. An assessment of in-plant space availability and cost projections for construction or renovation.
- G. A review of the tax advantages of an on-site child care center* vs. other options of employer support (e.g., charitable gifts, business expense deductions)

III. Analyze data and determine feasibility based on:

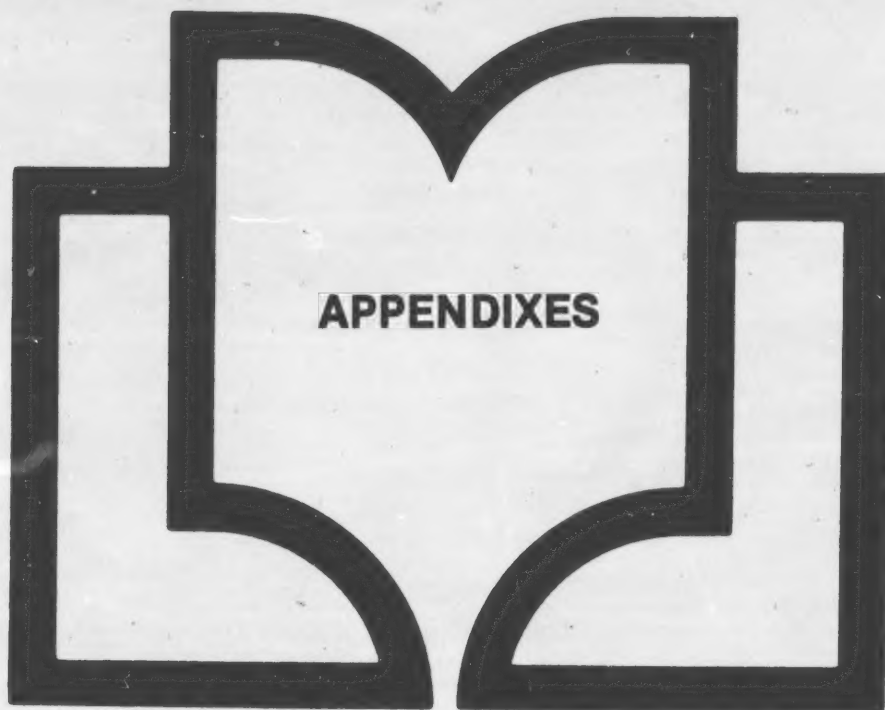
- A. An assessment of current and projected employee--and community--child care needs (e.g., number of current employee and community children and their age groups; continued recruitment of employees with young children).
- B. Projected start-up costs and availability of funding (based on projected number of children and space availability, renovation and reconstruction cost options should be charted; federal and state funding sources should be identified).
- C. Projected operating budget, based on age groups to be served, staff size, program components, etc. (including availability of outside funding).
- D. Need for subsidization of tuition (percent of employees unable to afford projected tuition; availability of government funds for low-income community children).
- E. Review of tax advantages and other anticipated benefits such as recruitment value, reduction in absenteeism and turnover, improvement in employee morale and productivity (obtain "hard data" from comparable employers with on-site centers).
- F. Preliminary cost-benefit analysis of on-site model versus other models of supporting child care (e.g., short and long range "qualitative benefits" to employees and their children as well as "quantitative benefits" to employer in cost savings from recruitment, etc.

* Section 188 of the Revenue Act of 1971 (attached as Appendix G) was designed to give employers a tax incentive to provide child care facilities for employees' children by electing to amortize the cost over a 60-month period. The Tax Reduction and Simplification Act of 1977 extends until January 1, 1982, the period within which employers are allowed to write off their costs at a faster-than-normal rate in the purchase, construction, reconstruction, or renovation of property used as a day care center primarily for employees' children. However, property subject to Section 188 election cannot be depreciated under Section 167 or 179, nor will it qualify for an investment tax credit. For a discussion of these disincentives, see Roth, R. W., "Amortization of Expenditure for Child Care Facilities," Taxes, February 1979, 133-36.

Table 9: Staff/Child Ratios - Day Care Centers-

State	Infants	Toddlers	2-3	3-4
	Maximum # Per Staff	Maximum # Per Staff	Maximum # Per Staff	Maximum # Per Staff
Alabama	5	5	10	10
Alaska	5	5	10	10
Arizona	8	10	10	15
Arkansas			12	12
California				
Colorado			8	10
Connecticut	8	8	8	
Delaware	5	8	15	15
District of Columbia			4	8
Florida	6	8	12	15
Georgia	7	10	10	15
Guam	5	8	10	15
Hawaii			10	15
Idaho	6	8		
Illinois			8	10
Indiana			5	15
Iowa	4-6	6	6-8	8-12
Kansas	3	5	7	10
Kentucky	6	6	8	10
Louisiana	6**	8**	12-14**	14-16**
Maine			8	10
Maryland			6	10
Massachusetts	3	4	10	10
Michigan			10	10
Minnesota	4	7	10	10
Mississippi			8-10	10-15
Missouri			8	10
Montana				
Nebraska	4	4	5	10
Nevada	4-6	6-8	8	
New Hampshire			10	10-15
New Jersey				
New Mexico	7	7	15	15
New York	4	5	5	5
North Carolina	8	8	12	15
North Dakota	4	4	4	6
Ohio	8	10	10	15
Oklahoma	4	6	8	12
Oregon				10
Pennsylvania	4	4-5	5	10
Puerto Rico	4	4	4	15
Rhode Island				10-15
South Carolina	8	8	12	15
South Dakota	5	5	5	5-8
Tennessee				10-15
Texas	5-6	9	11	15
Utah			7	15
Vermont	4	4-5	5	10
Virgin Islands			7.5	7.5
Virginia	4	4	10	10
Washington	5	7	7	10
West Virginia	4	4	8	10
Wisconsin	3	4	6	10
Wyoming	5	5	8	10

<u>4-5</u> Maximum # Per Staff	<u>5-6</u> Maximum # Per Staff	<u>School Age</u> Maximum # Per Staff	Other (Including Special Groups)
20	20	22	
10	20	15	X
20	25	25	X
15	18		X
12	15	25	X
20	20	25	
16	15	15	X
20	25		X
18	20	25	
20	25	25	X
20	25		
10			X
15	15		X
12	15	15-20	X
10/12*	10/20*	16	X
12	15	20	
16-20**	20-25**	25**	11 children
15			
10	13		X
15	5	25	X
20			X
10			X
15-20	20	25	
10	15		X
			X
10	10-12	12	X
15-18	18-20		
20	20		
7	7-10	10	
20	25		X
7	10	15	X
15	20		
15	15	20	X
10	10	15	
10	10-12	12	X
15			X
15-25			
20	25	25	
8	8	10	X
20	25-30	30	X
18	22	26	
15	20	25	
10	10-12	12	
7.5			
10	10	25	X
10	10		X
12	15	16	
12	16	16	X
15	20	25	



APPENDIX A
On-Site Day Care Telephone Interview Form

ON SITE DAY CARE PROGRAMS TELEPHONE INTERVIEWS

Date: _____
Time: _____
Person Interviewed: _____
Other Leads: _____
Will Forward: _____

Name/Address:

Program Type or Setting:

Key Person & Title:

Program Structure (Board, etc.):

When was the center established?

Why was the center established?

Where is center located? (How accessible?)

Whom does the center serve?

Eligibility requirements (Income,
number of children accepted):

Is there a waiting list?

Provisions for "special" children:

What is the staff size?

Number of teachers/volunteers:

Nutritionist?

Meals provided?

Criteria for staff (Experience, education, etc.):

Parental involvement?

Staff/children ration:

Age criteria (Children; infants):

Number served:

How are children transported?

Hours operated:

Costs to parents:

Program content (Education components):

Indoor/outdoor space (Equipment):

Company costs (To set up and run):

Any funding?

Regulations (Licensing requirements):

Evaluation-report available?

Evaluation results to date:
(Any measurable positive effects as far as employer concerned?)

Problem areas:

Plans for expansion of site or program?

APPENDIX B
Associated Industries of New York State
Member Questionnaire

Associated Industries of New York State, Inc.
150 State Street
Albany, New York 12207

Survey: Employer-Sponsored Day Care in New York State.

NOTE: Company and Job Title information optional.

Name of Company: _____

Address: _____

City: _____ Zip: _____ Phone: _____

Job Title of Person Completing Questionnaire: _____

1. Number of hours per day your company is in operation: _____

2. Approximate company employee size: _____

3. Approximate percentage of females employed: _____

4. Approximate percentage of employees with children: _____

5. Does your company offer a referral center for employees who need assistance or guidance in regards to personal matters:

_____ Yes

_____ No

If Yes, is the subject of Day Care availability offered in the referral center:

_____ Yes

_____ No

6. Presently, is your company facing the following occurrences in your "Parent-Employee" (employees who have children) work pattern:

a. Job Turnover

b. Absenteeism

_____ High
_____ Average
_____ Low

_____ High
_____ Average
_____ Low

7. Has your company ever discussed the possibility of formulating a Day Care program:

_____ Yes in the past, but with no success.
_____ Yes, at the present time.
_____ No, but thought has occurred.
_____ No.

Year: _____

8. Are you aware of 'Employer-Sponsored' Day Care programs for 'Parent-Employees':

_____ Yes

_____ No

9. Would you be interested in receiving information upon the Day Care subject:

_____ Yes

_____ No

10. If your response to question 6 above was YES, how did you become acquainted with Day Care programs:

- _____ Personal Awareness.
_____ Company planners brought idea to your attention.
_____ Parent-Employees inquired about the service.
_____ The outside community, in need of sharing a service with your company, presented the idea to your company planners.
_____ Other. Please specify: _____

11. Are any of the following reasons factors as to why a Day Care program has not been developed by your company. (Please RANK from numbers 1 to 12, with 12 being the lowest):

- _____ Not enough employees have children.
_____ Day Care is the responsibility of the parent to provide and not the company.
_____ Parents feel that a Day Care program is a poor idea.
_____ Transporting children to the plant Day Care Center presents a problem.
_____ Company has other needs for the facility space.
_____ Type of funding.
_____ Administrative problems.
_____ Company does not need to attract and keep workers.
_____ Parents prefer alternate forms of care.
_____ Governmental and state regulations.
_____ Costs to build and maintain are too high for the company.
_____ Parents are not willing to pay the costs for Day Care services.

12. Are you aware of existing tax advantages given to companies who provide Day Care services to their employees:

_____ Yes

_____ No

If No, would you be interested in receiving information about the tax advantages:

_____ Yes

_____ No

13. Do you feel any of the following statements would have a positive and beneficial effect to those involved, if your company was to provide a Day Care Program:

☐ Improved job turnover of parent-employees.
☐ Improve absenteeism of parent-employees.
☐ A development of a more positive attitude by employees towards sponsoring organization.
☐ An increasing ability of your company to attract new employees.

14. Would your company be willing to offer work programs such as 'FLEX TIME' and 'JOB SHARING' in order to aid parents who are working and have children attending public or private Day Care Centers:

☐ Programs are in operation at the present time.

☐ Yes

☐ No

15. Any further comments and/or observations upon the Day Care subject would be appreciated:

Thank you for your participation and interest!

APPENDIX C

Project Telephone Survey: Associated Industries/ Manufacturing Organizations

TELEPHONE SURVEY

Associated Industries/Manufacturing Organization

Date: _____

Person Contact: _____

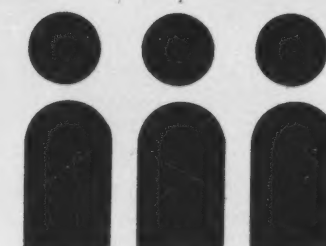
Fact Sheet Requested: _____

Additional "leads": _____

1. Do you have any members who support on-site day care centers?
2. Has there been any current interest or activity regarding on-site centers?
3. What are some other models other than on-site centers that employers are utilizing to support child care needs of their employees?
4. Can you refer us to any companies, agencies, or reference person in your state regarding on-site centers?
5. (Back to #2) - Would you have interest in a fact sheet on employer-sponsored day care models?

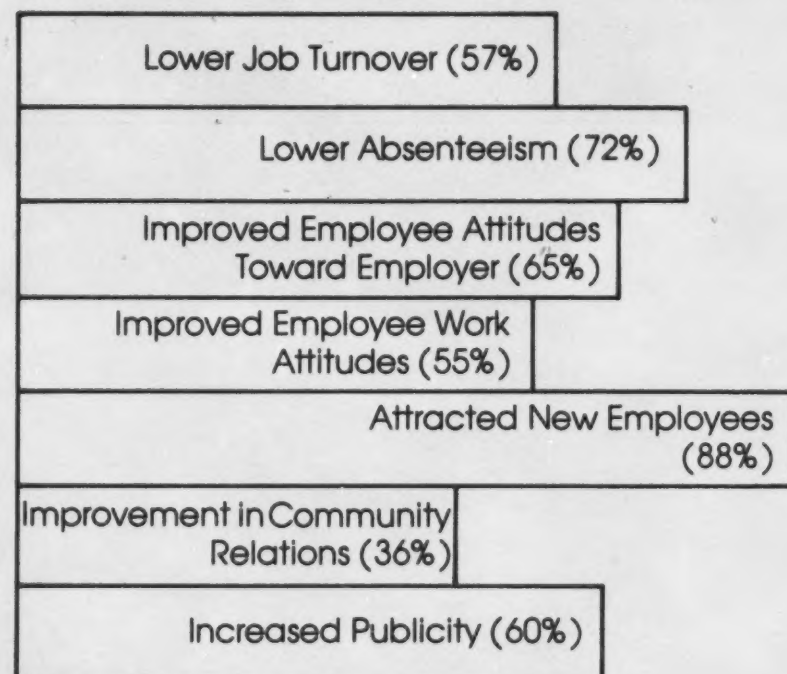
APPENDIX D
Project Fact Sheet: "Employer-Sponsored Day Care"

EMPLOYER-SPONSORED DAY CARE



1. Benefits

Hospitals, the military, federal and state governments, as well as private industry have responded by supporting day care centers as one way of helping employees with their child care arrangements. In a 1978 survey* of 58 sponsoring organizations of day care centers (industry, government, hospitals, and union-employer):



*Perry, K.S. Survey and Analysis of Employer-Sponsored Day Care in the United States. Doctoral Dissertation, University of Wisconsin-Milwaukee, 1978.

2. Need

Today:

There are 6.8 million children under the age of six and 22.8 million children between 6 and 17 with mothers working.

By 1990:

55 percent of American women ages 16 and over will be in the workforce.

10.4 million children under the age of six will have mothers in the workforce.

Of 44.4 million married women (husbands present) only 11.4 million will have children under age 18 and be fulltime homemakers, reducing dramatically the available pool of informal childcare arrangements.

3. Models

Polaroid Corporation
Cambridge, Massachusetts

Support for employee child care via voucher subsidy (sliding scale) for use in community day care centers.

Connecticut General
Living and Learning School
Bloomfield, Connecticut

Rents "on-site" facility to child care provider — guaranteed slots at discount rate provided for Connecticut General employees.

Control Data/Pillsbury/Norin States
Power/Lutheran Brotherhood
Northside Child Development Center
Minneapolis, Minnesota

Center consortium support of resources, technical assistance, training to community day care center.

Striderite Corporation
Children's Center, Boston, Massachusetts

Supports "on-site" day care center for employee and community children.

4. Options

Building choices for both employer and worker:

Employer
Support of
Child Care
Some Options...

Support
of
Legislation

On-Site
Center

Acquisition
of
In-Kind
Services

Consortium
Building

Purchase
of
Services

Alternate Work
Schedules

Loans
or
Contributions

Union
Sponsored

Information
and
Referral

This fact sheet was prepared by WRI for Governor Hugh L. Carey's Office on Employee Relations. Produced by the "On-Site Day Care: Research Into the State-of-the-Art and Models Development Project," and in conjunction with the Children's Place at the Plaza (a model, non-profit day care center for NYS Employees located in Albany, NY).

APPENDIX E
Niehaus Questionnaire:
"Survey of 200 Business, Labor and Employee Groups"

About the Questionnaire

All information provided by you will be held in confidence.

Please forward the questionnaire to the member(s) of your organization who are most familiar with the initiation and operation of your child care program.

Please include any relevant documents or publications or references to the location of the same; please feel free to omit those questionnaire items which are answered by any such publications or documents.

Name of organization:

Address:

Telephone:

Representative of organization:

Please return completed questionnaire to:

Janice K. Niehaus
1025 Sanford Avenue
St. Louis, Missouri 63139
(314) 644-4135

1. Describe your involvement in child care. (Please check all that apply.)
At which locations/plants are such programs operative?

<u>Activity/Involvement</u>	<u>Location/Plant</u>
(a) ☐ built day care facility(ies) for employees	
(b) ☐ renovated day care facility(ies) for employees	
(c) ☐ renovated day care facility(ies) for community members	
(d) ☐ sponsor program of child care services for employees/community members	
(e) ☐ contract with already-existing facility(ies) for purchase of child care services for employees	
(f) ☐ offer vouchers/allowances to employees for purchase of child care services	
(g) ☐ contribute space for parent-employees to establish/operate child care program	
(h) ☐ employ personnel for child care information and referral services to employees	
(i) ☐ research community demand/supply of child care services	
(j) ☐ recruit child care providers in underserved neighborhoods	
(k) ☐ finance training of child care providers/workers	
(l) ☐ publish information on child care issue	
(m) ☐ form consortium of business/industry representatives	
(n) ☐ make charitable contributions to child care organizations	
(o) ☐ donate tangibles:	
(i) ☐ equipment	
(ii) ☐ supplies	
(iii) ☐ office supplies	
(iv) ☐ toys	
(v) ☐ library materials	
(vi) ☐ other (Please specify.)	
(p) ☐ donate services:	
(i) ☐ printing	
(ii) ☐ newsletter/publication coverage	
(iii) ☐ custodial	
(iv) ☐ clerical	
(v) ☐ cafeteria/meal preparation	
(vi) ☐ transportation	
(vii) ☐ other (Please specify.)	
(q) ☐ contribute professional expertise:	
(i) ☐ management/administration	
(ii) ☐ personnel advising	
(iii) ☐ legal advise	

<u>Activity/Involvement</u>	<u>Location/Plant</u>
(q) contribute professional expertise (cont.)	
(iv) _____ economic planning	_____
(v) _____ accounting/bookkeeping	_____
(vi) _____ other (Please specify.)	_____
(r) _____ provide grant monies to child care organizations	_____
(s) _____ extend loan funds to child care organizations	_____
(t) _____ lobby for child care related legislation	_____
(u) _____ allow child care/family days as paid absences to parent-employees	_____
(v) provide alternative employment schedules:	_____
(i) _____ part-time	_____
(ii) _____ flexi-time	_____
(iii) _____ job sharing	_____
(w) _____ make monetary contributions to joint labor-management trust for child care services	_____
(x) _____ other (Please specify.)	_____

2. Describe your organization's primary products/services. (Please include any formal, written descriptions.)

3. Number of employees: _____ female; _____ male

4. Was your organization's initial interest in child care related to the following: (Please check all that apply.)

- (a) _____ high absenteeism
- (b) _____ tardiness
- (c) _____ low productivity
- (d) _____ employee morale
- (e) _____ labor-management relations
- (f) _____ recruitment
- (g) _____ turnover
- (h) _____ training costs
- (i) _____ competition for employees
- (j) _____ management's having read an article related to child care
- (k) _____ management's having visited a child care facility
- (l) _____ desire to expand public relations activities
- (m) _____ desire to expand employee assistance program
- (n) _____ management's difficulty in locating child care for own child(ren)
- (o) _____ request by community organization for involvement
- (p) _____ WIN employees' need for child care services
- (q) _____ encouragement from unions
- (r) _____ encouragement from employees
- (s) _____ other (Please specify.)

5. How did you assess the need for child care among employees/community members? (Please check all that apply.)

- (a) ☐ informally asked employees
- (b) ☐ informally asked supervisors
- (c) ☐ conducted formal survey of employees
- (d) ☐ inquired during hiring interviews
- (e) ☐ inquired after employment terminated
- (f) ☐ from employees' resignation letters
- (g) ☐ read articles, studies
- (h) ☐ called local day care centers
- (i) ☐ called local child care coordinating organization(s)
- (j) ☐ information from other community sources
- (k) ☐ conducted community survey of need/supply
- (l) ☐ other (Please specify.)

Please include any formal survey documents which you generated or utilized and the results, if possible.

6. Once a need for child care services was demonstrated, what additional research activities did you undertake preparatory to commencing your child care involvement? (Please check all that apply.)

- (a) ☐ surveyed parents' preferred child care arrangements
- (b) ☐ surveyed existing child care facilities in community
- (c) ☐ read articles, studies
- (d) ☐ conferred with early childhood education consultants
- (e) ☐ conferred with other companies, organizations sponsoring child care programs
- (f) ☐ conferred with licensing agencies, government representatives
- (g) ☐ conducted internal cost/benefit analysis
- (h) ☐ hired project coordinator
- (i) ☐ other (Please specify.)

Please include any formal survey documents which you generated or utilized and the results, if possible.

7. Costs of the above inquiries and research activities: (Note program is a child care facility, omit this item.)

8. Evaluate the effects of your child care program on the following: (Please include copy, description, or reference to location of any formal evaluation studies or reports.)

- (a) employees:

- (i) absenteeism
- (ii) tardiness
- (iii) productivity
- (iv) morale

8. Evaluate the effects (cont.):

(b) company/organization:

- (i) recruitment
- (ii) turnover
- (iii) training costs
- (iv) labor-management relations

9. What has been the reaction to your program by the following:

	Disapproval	Indifference	Approval
(a) management			
(b) parent employees			
(c) nonparent employees			
(d) business community			
(e) competitor companies			
(f) community at large			
(g) child care advocates			
(h) social welfare institutions			
(i) government officials			
(j) others (please identify)			

10. Costs of operating your program, including expense items and amounts, sources and amounts of income to cover said expenses, amount and percentage of costs subsidized by your organization: (NOTE: If program is a child care facility, omit this item.)

11. Benefits to organizations under Internal Revenue Code provisions:

12. Describe your organizations intentions, if any, to expand, modify, or terminate the child care involvement:

NOTE: Please forward this portion of the questionnaire to the person(s) who are most familiar with the initiation and operation of your child care facility.

13. Legal status of child care center, e.g., not-for-profit corporation:

14. Date facility opened:

15. Center capacity and ages of children served, including number of children in each age group, if appropriate:

16. Hours and days of center operation;

17. Describe physical facility:

18. Eligibility criteria for participation in center program:

19. Fees charged:

to employees:

to community members:

20. Staff/child ratios, by children's age groups, if appropriate:

21. Meal program:

22. Educational program:

23. Ancillary services available:

to children:

to families:

24. Provisions for care/isolation of marginally ill children:
25. Number and description of staff positions: (Please include written job descriptions, if available.)
26. Staffing arrangements involving in-kind contributions of services, voluntary workers, CETA trainees, work-study, practicum, or internship students, etc.:
27. Staff training program: (Please include manual or references to resources employed, if appropriate).
28. Composition of center families:
- employees/nonemployees
 - single/two-parent families
 - number/percentage eligible for Title XX subsidy
 - income eligible
 - AFDC
 - racial/ethnic
 - socioeconomic status
 - number/percentage indigenous to neighborhood
 - educational profile
29. Parent participation in program's operation:

30. Start-up costs, including expense items and amounts, sources and amounts of income to cover said expenses, amount and percentage of start-up costs subsidized by company/organization, e.g., feasibility studies, consultant fees, construction, renovation, equipment, etc.:
31. Present enrollment, by children's age categories, if appropriate:
32. Describe progress toward capacity enrollment operation.
33. Describe publicity for program, whether company-initiated or otherwise (Please include copies or references to location of any publications, articles, etc.)
34. Operating costs, including expense items and amounts, sources and amounts to cover said expenses, amount and percentage of operational costs subsidized by company/organization, e.g., salaries, space rental, food, staff training, etc.; U.S.D.A. food subsidy, Title XX reimbursement, parent fees, etc.:
35. Time limitations on any subsidies or grants listed above:

APPENDIX F

"Supportive Services for Working Parents"

Notice of Public Hearing and Witnesses

SPEAKER'S COUNCIL ON GOVERNMENT REFORM

NOTICE OF PUBLIC HEARING

Subject: Supportive Services for Working Parents

Purpose: To determine what the state government's response should be to the enormous changes in employment patterns which have taken place in this century.

NEW YORK CITY

Date: Wednesday, November 7, 1979

Time: 10:00 A.M.

Place: 270 Broadway, New York, New York 10007
11th Floor

Persons wishing to present pertinent testimony (although testimony will be by invitation only), should contact Edythe Meyer at 268-4058 or 488-4833 immediately.

Oral testimony will be limited to ten minutes duration.

Ten copies of any prepared testimony should be submitted to the hearing registration desk. The Committee would appreciate advance receipt of prepared statements.

We will be hearing testimony on the following questions:

1. How has the increase in two-wage earner and single-parent families affected employers? employees? their children?
2. How extensive is the problem of children left unattended while their parents work? What are the consequences of this situation for families and for society? (A recent Family Circle magazine survey disclosed that fully 1/3 of the respondents had to leave children below the age of twelve alone at home for all or part of the day, because they could not locate or afford day care or babysitting services.)
3. Should government offer incentives to employers to institute such practices as flex-time, job sharing, 30-hour work weeks for parents of school-aged children, on-site day care, day care vouchers, maternity/paternity leave, etc. How should this be done?

4. What existing policies could be changed to make government more supportive of working parents?
5. What new programs would you recommend?

ALAN G. HEVESI
Member of Assembly
Chairman
Speaker's Council on
Government Reform



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

PUBLIC HEARING: SUPPORTIVE SERVICES FOR WORKING PARENTS

Speaker's Council on Government Reform
Deputy Majority Leader Alan G. Hevesi, Chairman
New York, N.Y.

WITNESSES

1. Honorable Carol Bellamy
President, New York City Council
New York, N.Y.
2. Honorable May Newberger
Assemblywoman, Nassau County
3. Ilene Margolin
Executive Director, New York State Council on Children and Families
Albany, N.Y.
4. Meyer Frucher
Director, Governor's Office of Employee Relations
Albany, N.Y.
5. Professor Urie Bronfenbrenner
Cornell University, NYS College of Human Ecology
Ithaca, N.Y.
6. Samuel Meyers
President, United Auto Workers Local 259
New York, N.Y.
7. Miriam Thompson
Executive Director, Advocates for Children
New York, N.Y.
8. Philip Rose
Education Coordinator, Onondaga County Child Care Council
Syracuse, N.Y.
9. Nancy Perlman
Executive Director, Center for Women in Government
Albany, N.Y.
10. Edward Perry
Associated Industries
Albany, N.Y.
11. Suzanne Jones
Consultant, Single Parent Family Project
New York, N.Y.

12. Annis Probst
Director, Preschool Association of the West Side
New York, N.Y.
13. Norma DeCandido
United Neighborhood Houses
New York, N.Y.

APPENDIX G

Section 188 of the Revenue Act of 1971

Chapter I—Int. Rev. Serv., Dept. of the Treas.

§ 1.138-1

by section 187 is to be computed with respect to any item of certified coal mine safety equipment shall be the adjusted basis provided in section 1011 for the purpose of determining gain on the sale or other disposition of such property (see part II (section 1011 and following) subchapter O, chapter 1 of the Code) computed as of the first day of the amortization period. For an example showing the determination of the adjusted basis referred to in the preceding sentence in the case where the amortization period begins with the taxable year succeeding the taxable year in which the property is placed in service see example (3) in paragraph (d) of § 1.187-1.

(2) *Capital additions.* The adjusted basis of any certified coal mine safety equipment, with respect to which an election is made under section 187(b), shall not be increased, for purposes of section 187, for amounts chargeable to the capital account for additions or improvements after the amortization period has begun. However, nothing contained in this section or § 1.187-1 shall be deemed to disallow a deduction for depreciation for such capital additions. Thus, for example, if a taxpayer places a piece of certified coal mine safety equipment in service in 1971 and in 1972 makes improvements to it the expenditures for which are chargeable to the capital account, such improvements shall not increase the adjusted basis of the equipment for purposes of computing the amortization deduction allowed by section 187(a). However, the depreciation deduction provided by section 167 shall be allowed with respect to such improvements in accordance with the principles of section 167.

[T.D. 7137, 36 FR 14734, Aug. 11, 1971; 36 FR 19251, Oct. 1, 1971]

§ 1.138-1 Amortization of certain expenditures for qualified on-the-job training and child care facilities.

(a) *Allowance of deduction—(1) In general.* Under section 188, at the election of the taxpayer, any eligible expenditure (as defined in paragraph (d)(1) of this section) made by such taxpayer to acquire, construct, reconstruct, or rehabilitate section 188

property (as defined in paragraph (d)(2) of this section) shall be allowable as a deduction ratably over a period of 60 months. Such 60-month period shall begin with the month in which such property is placed in service. For rules for making the election, see paragraph (b) of this section. For rules relating to the termination of an election, see paragraph (c) of this section.

(2) *Amount of deduction—(i) In general.* For each eligible expenditure attributable to an item of section 188 property the amortization deduction shall be an amount, with respect to each month of the 60-month amortization period which falls within the taxable year, equal to the eligible expenditure divided by 60. The total amortization deduction with respect to each item of section 188 property for a particular taxable year is the sum of the amortization deductions allowable for each month of the 60-month period which falls within such taxable year. The total amortization deduction under section 188 for a particular taxable year is the sum of the amortization deductions allowable with respect to each item of section 188 property for that taxable year.

(ii) *Separate amortization period for each expenditure.* Each eligible expenditure attributable to an item of section 188 property to which an election relates shall be amortized over a 60-month period beginning with the month in which the item of section 188 property is placed in service. Thus, if a taxpayer makes an eligible expenditure for an addition to, or improvement of, section 188 property, such expenditure must be amortized over a separate 60-month period beginning with the month in which the section 188 property is placed in service.

(iii) *Separate items.* The determination of what constitutes a separate item of section 188 property is to be made on the basis of the facts and circumstances of each individual case. Additions or improvements to an existing item of section 188 property are treated as a separate item of section 188 property. In general, each item of personal property is a separate item of property and each building, or sepa-

rate element or structural component thereof, is a separate item of property. For purposes of subdivisions (i) and (ii) of this subparagraph, two or more items of property may be treated as a single item of property if such items (A) are placed in service within the same month of the taxable year, (B) have same estimated useful life, and (C) are to be used in a functionally related manner in the operation of a qualified on-the-job training or child care facility or are integrally related facilities (described in paragraph (d) (3) or (4) of this section.

(iv) *Disposition of property or termination of election.* If an item of section 188 property is sold or exchanged or otherwise disposed of (or if the item of property ceases to be used as section 188 property by the taxpayer) during a particular month, then the amortization deduction (if any) allowable to the taxpayer in respect of that item for that month shall be an amount which bears the same ratio to the amount to which the taxpayer would be entitled for a full month as the number of days in such month during which the property was held by him (or used by him as section 188 property) bears to the total number of days in such month.

(3) *Effect on other deductions.* The amortization deduction provided by section 188(a) with respect to any month shall be in lieu of any depreciation deduction which would otherwise be allowable under sections 167 or 179 with respect to that portion of the adjusted basis of the property attributable to an adjustment under section 1016(a)(1) made on account of an eligible expenditure.

(4) *Depreciation with respect to property ceasing to be used as section 188 property.* A taxpayer is entitled to a deduction for the depreciation (to the extent allowable under section 167) of property with respect to which the election under section 188 is terminated under the provisions of paragraph (c) of this section. The deduction for depreciation shall begin with the date of such termination and shall be computed on the adjusted basis of the property as of such date. The depreciation deduction shall be based

upon the estimated remaining useful life and salvage value authorized under section 167 for the property as of the termination date.

(5) *Investment credit not to be allowed.* Any property with respect to which an election has been made under section 188(a) shall not be treated as section 38 property within the meaning of section 48(a).

(6) *Special rules—(i) Life estates.* In the case of section 188 property held by one person for life with the remainder to another person, the amortization deduction under section 188(a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant during his life.

(ii) *Certain corporate acquisitions.* If the assets of a corporation which has elected to take the amortization deduction under section 188(a) are acquired by another corporation in a transaction to which section 381(a) (relating to carryovers in certain corporate acquisitions) applies, the acquiring corporation is to be treated as if it were the distributor or transferor corporation for purposes of this section.

(iii) *Estates and trusts.* For the allowance of the amortization deduction in the case of estates and trusts, see section 642(f) and § 1.642(f)-1.

(iv) *Partnerships.* For the allowance of the amortization deduction in the case of partnerships, see section 703 and § 1.703-1.

(b) *Time and manner of making election—(1) In general.* Except as otherwise provided in subparagraph (2) of this paragraph, an election to amortize an eligible expenditure under section 188 shall be made by attaching, to the taxpayer's income tax return for the taxable period for which the deduction is first allowable to such taxpayer, a written statement containing:

(i) A description clearly identifying each item of property (or two or more items of property treated as a single item) forming a part of a qualified on-the-job training or child care facility to which the election relates, e.g., building, classroom equipment, etc.;

(ii) The date on which the eligible expenditure was made for such item of

property (or the period during which eligible expenditures were made for two or more items of property treated as a single item of property);

(iii) The date on which such item of property was "placed in service" (see paragraph (d)(5) of this section);

(iv) The amount of the eligible expenditure of such item of property (or the total amount of expenditures for two or more items of property treated as a single item); and

(v) The annual amortization deduction claimed with respect to such item of property.

If the taxpayer does not file a timely return (taking into account extensions of the time for filing) for the taxable year for which the election is first to be made, the election shall be filed at the time the taxpayer files his first return for that year. The election may be made with an amended return only if such amended return is filed no later than the time prescribed by law (including extensions thereof) for filing the return for the taxable year of election.

(2) *Special rule.* With respect to any return filed before (90 days after the date on which final regulations are filed with the Office of the Federal Register), the election to amortize an eligible expenditure for section 188 property shall be made by a statement on, or attached to, the income tax return (or an amended return) for the taxable year, indicating that an election is being made under section 188 and setting forth information to identify the election and the facility or facilities to which it applies. An election made under the provisions of this subparagraph, must be made not later than (i) the time, including extensions thereof, prescribed by law for filing the income tax return for the first taxable year for which the election is being made or (ii) before (90 days after the date on which final regulations under section 188 are filed with the Office of the Federal Register), whichever is later. Nothing in this subparagraph shall be construed as extending the time specified in section 6511 within which a claim for credit or refund may be filed.

(3) *No other method of making election.* No method for making the election under section 188(a) other than the method prescribed in this paragraph shall be permitted. If an election to amortize section 188 property is not made within the time and in the manner prescribed in this paragraph, no election may be made (by the filing of an amended return or in any other manner) with respect to such section 188 property.

(4) *Effect of election.* An election once made may not be revoked by a taxpayer with respect to any item of section 188 property to which the election relates. The election of the amortization deducted for an item of section 188 property shall not affect the taxpayer's right to elect or not to elect the amortization deduction as to other items of section 188 property even though the items are part of the same facility. For rules relating to the termination of an election other than by revocation by the taxpayer, see paragraph (c) of this section.

(c) *Termination of election.* If the specific use of an item of section 188 property in connection with a qualified on-the-job training or child care facility is discontinued, the election made with respect to that item of property shall be terminated. The termination shall be effective with respect to such item of property as of the earliest date on which the taxpayer's specific use of the item is no longer in connection with the operation of a qualified on-the-job training or child care facility. If a facility ceases to meet the applicable requirements of paragraph (d)(3) of this section, relating to qualified on-the-job training facilities, or paragraph (d)(4) of this section, relating to qualified child care facilities, the election or elections made with respect to the items of section 188 property comprising such facility shall be terminated. The termination shall be effective with respect to such items of property as of the earliest date on which the facility is no longer qualified under the applicable rules. For rules relating to depreciation with respect to property ceasing to be used as section 188 prop-

erty, see paragraph (a)(4) of this section.

(d) *Definitions and special requirements*—(1) *Eligible expenditure*. For purposes of this section, the term "eligible expenditure" means an expenditure—

(i) Chargeable to capital account;

(ii) Made after December 31, 1971, and before January 1, 1982, to acquire, construct, reconstruct, or rehabilitate section 188 property which is a qualified child care center facility (or, made after December 31, 1971, and before January 1, 1977, to acquire, construct, reconstruct, or rehabilitate section 188 property which is a qualified on-the-job training facility); and

(iii) For which, but only to the extent that, a grant or other reimbursement excludable from gross income is not, directly or indirectly, payable to, or for the benefit of, the taxpayer with respect to such expenditure under any job training or child care program established or funded by the United States, a State, or any instrumentality of the foregoing, or the District of Columbia.

For purposes of this subparagraph, an expenditure is considered to be made when actually paid by a taxpayer who computes his taxable income under the cash receipts and disbursements method or when the obligation therefore is incurred by a taxpayer who computes his taxable income under the accrual method. See subparagraph (5) of this paragraph for the determination of when section 188 property is placed in service for purposes of beginning the 60-month amortization period.

(2) *Section 188 property*. Section 188 property is tangible property which is—

(i) Of a character subject to depreciation;

(ii) Located within the United States; and

(iii) Specifically used as an integral part of a qualified on-the-job training facility (as defined in subparagraph (3) of this paragraph) or as an integral part of a qualified child care center facility (as defined in subparagraph (4) of this paragraph.)

(3) *Qualified on-the-job training facility*. A "qualified on-the-job training facility" is a facility specifically used by an employer as an on-the-job training facility in connection with an occupational training program for his employees or prospective employees provided that with respect to such program—

(i) All of the following requirements are met—

(A) There is offered at the training facility a systematic program comprised of work and training and related instruction;

(B) The occupation, together with a listing of its basic skills, and the estimated schedule of time for accomplishments of such skills, are clearly identified;

(C) The content of the training is adequate to qualify the employee, or prospective employee, for the occupation for which the individual is being trained;

(D) The skills are to be imparted by competent instructors;

(E) Upon completion of the training, placement is to be based primarily upon the skills learned through the training program;

(F) The period of training is not less than the time necessary to acquire minimum job skills nor longer than the usual period of training for the same occupation; and

(G) There is reasonable certainty that employment will be available with the employer in the occupation for which the training is provided; or

(ii) The employer has entered into an agreement with the United States, or a State agency, under the provisions of the Manpower Development and Training Act of 1962, as amended and supplemented (42 U.S.C. 2571 et seq.), the Economic Opportunity Act of 1964, as amended and supplemented (42 U.S.C. 2701 et seq.), section 432(b)(1) of the Social Security Act, as amended and supplemented (42 U.S.C. 632(b)(1)), the National Apprenticeship Act of 1937, as amended and supplemented (29 U.S.C. 50 et seq.), or other similar Federal statute.

A "facility" consists of a building or any portion of a building and its structural components in which training is

conducted, and equipment or other personal property necessary to teach a trainee the basic skills required for satisfactory performance in the occupation for which the training is being given. A facility also includes a building or portion of a building which provides essential services for trainees during the course of the training program, such as a dormitory or dining hall. For purposes of this section, a facility is considered to be specifically used as an on-the-job training facility if such facility is actually used for such purposes and is not used in a significant manner for any purpose other than job training or the furnishing of essential services for trainees such as meals and lodging. For purposes of the preceding sentence if a facility is used 20 percent of the time for a purpose other than on-the-job training or providing trainees with essential services, it would not satisfy the significant use test. Thus, a production facility is not an on-the-job training facility for purposes of section 188 simply because new employees receive training on the machines they will be using as fully productive employees. A facility is considered to be used by an employer in connection with an occupational training program for his employees or prospective employees if at least 80 percent of the trainees participating in the program are employees or prospective employees. For purposes of this section, a prospective employee is a trainee with respect to whom it is reasonably expected that the trainee will be employed by the employer upon successful completion of the training program.

(4) *Qualified child care facility.* A "qualified child care facility" is a facility which is—

(i) Particularly suited to provide child care services and specifically used by an employer to provide such services primarily for his employees' children;

(ii) Operated as a licensed or approved facility under applicable local law, if any, relating to the day care of children; and

(iii) If directly or indirectly funded to any extent by the United States, established and operated in compliance

with the requirements contained in Part 71 of title 45 of the Code of Federal Regulations, relating to Federal Interagency Day Care Requirements. For purposes of this subparagraph, a "facility" consists of the buildings, or portions or structural components thereof, in which children receive such personal care protection, and supervision in the absence of their parents as may be required to meet their needs, and the equipment or other personal property necessary to render such services. Whether or not a facility, or any component property thereof, is particularly suited for the needs of the children being cared for depends upon the facts and circumstances of each individual case. Generally, a building and its structural component, or a room therein, and equipment are particularly suitable for furnishing child care service if they are designed or adapted for such use or satisfy requirements under local law for such use as a condition to granting a license for the operation of the facility. For example, such property includes special kitchen or toilet facilities connected to the building or room in which the services are rendered and equipment such as children's desks, chairs, and play or instructional equipment. Such property would not include general purpose rooms used for many purposes (for example, a room used as an employee recreation center during the evening) nor would it include a room or a part of a room which is simply screened off for use by children during the day. For purposes of this section, a facility is considered to be specifically used as a child care facility if such facility is actually used for such purpose and is not used in a significant manner for any purpose other than child care. For purposes of this subparagraph, a child care facility is used by an employer to provide child care services primarily for children of employees of the employer if, for any month, no more than 20 percent of the average daily enrolled or attending children for such month are other than children of such employees.

(5) *Placed in service.* For purposes of section 188 and this section, the term "placed in service" shall have the

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meaning assigned to such term in paragraph (d) of § 1.46-3.

(6) *Employees.* For purposes of section 188 and this section, the terms "employees" and "prospective employees" include employees and prospective employees of a member of a controlled group of corporations (within the meaning of section 1563) of which the taxpayer is a member.

(e) *Effective date.* The provisions of section 188 and this section apply to taxable years ending after December 31, 1971.

(T.D. 7599, 44 FR 14549, Mar. 13, 1979)

ADDITIONAL ITEMIZED DEDUCTIONS FOR INDIVIDUALS

§ 1.211 Statutory provisions; allowance of deductions.

Sec. 211. Allowance of deductions. In computing taxable income under section 63 (a), there shall be allowed as deductions the items specified in this part, subject to the exceptions provided in part IX (section 261 and following, relating to items not deductible).

§ 1.211-1 Allowance of deductions.

In computing taxable income under section 63(a), the deductions provided by sections 212, 213, 214, 215, 216, and 217 shall be allowed subject to the exceptions provided in part IX, subchapter B, chapter 1 of the Code (section 261 and following, relating to items not deductible).

(T.D. 6796, 30 FR 1037, Feb. 2, 1965)

§ 1.212 Statutory provisions; expenses for production of income.

Sec. 212. Expenses for production of income. In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year—

(1) For the production or collection of income;

(2) For the management, conservation, or maintenance of property held for the production of income; or

(3) In connection with the determination, collection, or refund of any tax.

§ 1.212-1 Nontrade or nonbusiness expenses.

(a) An expense may be deducted under section 212 only if—

(1) It has been paid or incurred by the taxpayer during the taxable year (i) for the production or collection of income which, if and when realized, will be required to be included in income for Federal income tax purposes, or (ii) for the management, conservation, or maintenance of property held for the production of such income, or (iii) in connection with the determination, collection, or refund of any tax; and

(2) It is an ordinary and necessary expense for any of the purposes stated in subparagraph (1) of this paragraph.

(b) The term "income" for the purpose of section 212 includes not merely income of the taxable year but also income which the taxpayer has realized in a prior taxable year or may realize in subsequent taxable years; and is not confined to recurring income but applies as well to gains from the disposition of property. For example, if defaulted bonds, the interest from which if received would be includible in income, are purchased with the expectation of realizing capital gain on their resale, even though no current yield thereon is anticipated, ordinary and necessary expenses thereafter paid or incurred in connection with such bonds are deductible. Similarly, ordinary and necessary expenses paid or incurred in the management, conservation, or maintenance of a building devoted to rental purposes are deductible notwithstanding that there is actually no income therefrom in the taxable year, and regardless of the manner in which or the purpose for which the property in question was acquired. Expenses paid or incurred in managing, conserving, or maintaining property held for investment may be deductible under section 212 even though the property is not currently productive and there is no likelihood that the property will be sold at a profit or will otherwise be productive of income and even though the property is held merely to minimize a loss with respect thereto.

(c) In the case of taxable years beginning before January 1, 1970, expenses of carrying on transactions which do not constitute a trade or business of the taxpayer and are not